

**Plaintiff Lazare Kaplan International Inc.'s
Deposition Designations for Diane Grimmig
2/16/2016**

TextMap Annotation Digest Report

Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 6 Ln: 21 - 25

Annotation:

6:21 Q. Okay. Good morning, Ms. Grimmig.
22 I'm Chris Sullivan and I'm with the law
23 firm of Herrick Feinstein and we
24 represent the Plaintiff in this case,
25 Lazare Kaplan International.

Pg: 7 Ln: 7 - 21

Annotation:

7: 7 Q. Okay. And can you tell us where
8 you live, what your current address is?
9 A. I live at 62 Smith Street,
10 Lynbrook, New York, 11563.
11 Q. And how long have you lived
12 there?
13 A. Approximately 15 years.
14 Q. What's your nationality?
15 A. American.
16 Q. So do I assume correctly that
17 you speak and read English fluently?
18 A. Yes, I do.
19 Q. Do you -- and what other
20 languages do you speak or read?
21 A. No others.

Pg: 8 Ln: 18 - Pg: 9 Ln: 6

Annotation:

8:18 Q. I'm going to use a number of
19 abbreviations for my questions. I'm
20 going to -- for convenience sake, I'm
21 going to refer to Lazare Kaplan
22 International, Inc. as Lazare; to
23 Lazare Kaplan Belgium as Lazare
24 Belgium; to Antwerp Diamond Bank as
25 ADB; to the New York office of ADB as
9: 1 ADB New York; to KBC Bank as KBC; and
2 to the New York branch of KBC as KBC
3 New York, unless you or I specify
4 otherwise.
5 Do you understand that?
6 A. Yes.

Pg: 10 Ln: 8 - Pg: 11 Ln: 12

Annotation:

10: 8 Q. Okay. What is the highest level
9 of formal education that you've
10 completed?
11 A. Law school.

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Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 10 Ln: 8 - Pg: 11 Ln: 12 continued...

Annotation:

10:12 Q. And where did you obtain your
13 law degree?
14 A. Loyola University.
15 Q. And when did you do so?
16 A. I graduated, I believe, in 1986.
17 Q. And where did you complete your
18 undergraduate studies?
19 A. Providence College.
20 Q. Are you a member of any bars?
21 A. Yeah. Yes. Yes.
22 Q. Which bars?
23 A. The New York bar.
24 Q. Okay. Do you have any
25 specialized training or education in
11: 1 regard to diamonds or diamond
2 companies?
3 A. No.
4 Q. Do you have any specialized
5 training or education in regard to laws
6 and regulations applicable to diamond
7 transactions?
8 A. No.
9 Q. Do you have any specialized
10 training or education in regard to
11 correspondent bank accounts?
12 A. No.

Pg: 12 Ln: 15 - Pg: 13 Ln: 7

Annotation:

12:15 Q. Now, you're currently employed
16 by KBC. Is that correct?
17 A. I'm employed by KBC New York.
18 Q. KBC New York. So you're not
19 employed by KBC as a Belgian institute,
20 simply by the New York branch of KBC?
21 A. KBC New York is the one that
22 cuts my paycheck.
23 Q. And have you ever been employed
24 by KBC, itself?
25 A. My employment has always been
13: 1 through the KBC New York.
2 Q. When did you first start working
3 at KBC New York?
4 A. 1987.
5 Q. Okay. Did you do so right out of
6 law school?
7 A. Yes.

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 13 Ln: 17 - Pg: 17 Ln: 23

Annotation:

13:17 Q. So you've never worked as a
18 banker? Do I understand correctly that
19 you've always worked as a lawyer?
20 A. I work for a bank, so I work --
21 I have responsibilities beyond legal
22 advisor. I'm also the Compliance
23 Officer. So I would say I also have
24 banking knowledge.
25 Q. Okay. Have you ever originated
14: 1 loans at KBC?
2 A. No.
3 Q. Have you helped a client set up
4 a line of credit or a credit facility?
5 A. I've handled the documentation
6 for creation of a line of credit.
7 Q. Did you ever discuss with a
8 client its working capital needs?
9 A. No.
10 Q. Ever opened a bank account for a
11 client?
12 A. Not the opening of the account,
13 no, I've handled the documentation.
14 Q. What type of documentation have
15 you handled?
16 A. It depends upon the bank
17 product.
18 Q. What does that mean?
19 A. Each bank product has a
20 different set of documentation. If it's
21 a bank account, then it would have a
22 DDA account agreement. If it's a loan,
23 it would have a loan agreement. If it's
24 a treasury product more than likely it
25 would have a swap documentation.
15: 1 Q. What is involved in handling the
2 documentation, in your words?
3 A. The relationship manager
4 provides the terms and conditions on
5 relating to the product. Based on
6 that, I draft the necessary, relevant
7 documentation. That gets furnished to
8 the relationship manager for comment.
9 If he has -- he or she has any
10 comments, I'll revise it. If it's
11 acceptable to them I send it out to the
12 customer and the customer has an
13 opportunity to review and comment on
14 the documentation. If a customer
15 comments on it, it comes back,
16 depending upon the type of comment, if

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Transcript: [2/16/2016] Grimmig, Diane

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Pg: 13 Ln: 17 - Pg: 17 Ln: 23 continued...

Annotation:

15:17 it's a business comment I have a
18 discussion with the relationship
19 manager as to whether or not it's
20 acceptable. If it's a legal comment I
21 will handle it.
22 Once all the parties have agreed
23 to the terms, the final documentation
24 is drafted and then submitted for
25 execution by my relationship manager
16: 1 and by his customer.
2 Q. In the course of performing the
3 tasks you've just described, have you
4 ever interacted with people at the New
5 York Representative Office of ADB?
6 A. No.
7 Q. You've never handled account
8 matters for clients of ADB New York?
9 A. If the client is a customer of
10 KBC New York, then I handle it or I
11 will be involved.
12 Q. And does it happen or has it
13 happened that the client is a customer
14 of both KBC New York and ADB New York?
15 A. It has occurred with respect to
16 some of our DDA customers.
17 Q. And in those instances do you
18 interact with anyone at ADB New York or
19 have you done so in the past in
20 connection with the performance of your
21 duties?
22 A. No. Because we're -- that
23 customer is deemed to be our customer
24 and so we will discuss and negotiate
25 the documentation with the DDA
17: 1 customer, itself.
2 Q. Was Lazare deemed to be a
3 customer of KBC New York?
4 A. Yes.
5 Q. KBC New York is a -- is a branch
6 of KBC. Is that correct?
7 A. Correct.
8 Q. And KBC New York is licensed by
9 the New York State Department of
10 Financial Services. Is that correct?
11 A. Yes.
12 Q. And it's subject to supervision
13 and examination by both the New York
14 State Department of Finance and the
15 Federal Reserve Bank. Is that correct?
16 A. Yes.

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Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 13 Ln: 17 - Pg: 17 Ln: 23 continued...

Annotation:

17:17 Q. And what is your current job
18 title or position at KBC New York?
19 A. Managing Director.
20 Q. Are you also General Counsel?
21 A. I am head of the Legal
22 Department and head of the Compliance
23 Department.

Pg: 35 Ln: 19 - Pg: 37 Ln: 22

Annotation:

35:19 Q. Okay. Would you look at tab 89
20 in that giant binder to your left,
21 which is the amended Notice of
22 Deposition? Give your lawyer a chance
23 to find it.
24 MR. FORESTA: Thank you.
25 Q. Do you recognize this document?
36: 1 A. Yes.
2 Q. And who showed it to you?
3 A. My counsel.
4 Q. Do you understand what the
5 Notice of Deposition calls for?
6 A. Yes.
7 Q. When did you see it for the
8 first time?
9 A. At the time it was delivered.
10 Q. Have you ever been designated as
11 a Rule 30(b)(6) witness in any other
12 lawsuit or proceeding?
13 A. No.
14 Q. Can you tell us, in general,
15 what you did to educate yourself as to
16 the topics listed in this Amended
17 Notice of Deposition?
18 A. I talked to my fellow colleagues
19 in various departments at KBC New York.
20 Q. And who are those colleagues?
21 A. I've talked to Anthony Martinez
22 in the Finance Department, I talked to
23 Susan Silver and Eric Raskin in the
24 Credit Department, I talked to Ruggerio
25 Pestana in the Cash Management and
37: 1 Payment Department. I might have
2 talked to others but...
3 Q. Did you speak to Walter Haeck or
4 communicate with Walter Haeck in any
5 way --
6 A. Yes.
7 Q. -- in connection with this

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Pg: 35 Ln: 19 - Pg: 37 Ln: 22 continued...

Annotation:

37: 8 Amended Notice of Deposition and your
9 testimony?
10 A. No.
11 Q. Prior to that time?
12 A. Prior to that time.
13 Q. And for what purpose did you
14 communicate with Mr. Haeck?
15 A. To inform him that we had been
16 served with a complaint by LKI --
17 Lazare. Sorry.
18 Q. And since that time have you had
19 any communications with Mr. Haeck about
20 this lawsuit or any of the proceedings
21 in this lawsuit?
22 A. I -- nothing material.

Pg: 38 Ln: 8 - Pg: 40 Ln: 4

Annotation:

38: 8 Q. Is it Haeck or Haeck, by the
9 way? You don't know?
10 A. I don't speak Flemish.
11 Q. Let's go by Haeck.
12 A. I struggle with the names
13 myself.
14 Q. Why did you contact Mr. Haeck to
15 inform him that Lazare had filed this
16 lawsuit?
17 A. Because it had also named ADB
18 and just to inform them there was a
19 lawsuit that involved not only KBC but
20 also involved an affiliate of KBC.
21 Q. Did you -- is that the sum and
22 substance of your communication or
23 conversation with Mr. Haeck?
24 A. Yes.
25 Q. And that's the only
39: 1 communication that you can recall with
2 Mr. Haeck on the subject of this
3 lawsuit?
4 A. We've also kept in touch with
5 respect to the proceedings and
6 notifying each other with respect to,
7 if a motion was up before the Court,
8 what decisions were taken on motions,
9 what depositions were going to be taken
10 and when. More of a procedural nature.
11 Q. Are you aware Mr. Haeck
12 submitted a sworn Declaration in
13 connection with a motion that was filed

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Pg: 38 Ln: 8 - Pg: 40 Ln: 4 continued...

Annotation:

39:14 by KBC and ADB in this lawsuit?
15 A. Yes.
16 Q. Did you review his Declaration
17 at any point in time?
18 A. Yes.
19 Q. When did you do so?
20 A. At the time -- after it was
21 delivered to the Court.
22 Q. After. Did you rely on his
23 Declaration in connection with
24 reviewing or signing your own
25 Declaration in the lawsuit?
40: 1 A. I read it.
2 Q. You read it prior to signing
3 your own Declaration or after?
4 A. I don't recall who it was.

Pg: 40 Ln: 5 - Pg: 41 Ln: 2

Annotation:

40: 5 Q. How about Veerle Snyers, did you
6 communicate with Ms. Snyers in any way
7 regarding the Amended Notice of
8 Deposition or your testimony today?
9 A. No.
10 Q. When was the last time you spoke
11 to Ms. Snyers about this lawsuit?
12 A. Not recently.
13 Q. Are you aware that Ms. Snyers
14 submitted Declarations in connection
15 with the motion that was filed by KBC
16 and ADB in this lawsuit?
17 A. Yes.
18 Q. Did you review those
19 Declarations before signing your own
20 Declaration?
21 A. I know I read them. I don't know
22 if I saw it before I signed mine.
23 Q. Can you think of anyone else at
24 KBC with whom you discussed the Amended
25 Notice of Deposition or your testimony
41: 1 today?
2 A. No one.

Pg: 42 Ln: 23 - Pg: 43 Ln: 2

Annotation:

42:23 Q. Did you go over each of the
24 topics in the Amended Notice of
25 Deposition in preparation for your

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Pg: 42 Ln: 23 - Pg: 43 Ln: 2 continued...

Annotation:

43: 1 testimony today?
2 A. Yes.

Pg: 43 Ln: 17 - 20

Annotation:

43:17 Q. Prior to today have you ever met
18 or communicated directly with any of
19 the officers or directors of Lazare?
20 A. No.

Pg: 43 Ln: 21 - Pg: 53 Ln: 15

Annotation:

43:21 Q. When did KBC first acquire a
22 controlling interest in ADB?
23 A. I don't know.
24 Q. Can you give me an approximate
25 time? Was it prior to the time you
44: 1 started working at KBC New York?
2 A. I don't know.
3 Q. Well, do you recall whether the
4 governance of ADB changed after KBC
5 acquired its controlling interest?
6 A. I don't think it changed.
7 Q. You don't think it changed.
8 A. Let me step back. What do you
9 mean by "governance"?
10 Q. Management, the manner in which
11 the bank was managed.
12 A. No.
13 Q. You don't recall or it didn't
14 change?
15 A. It changed.
16 Q. In what respect did it change?
17 A. By members of KBC New York were
18 put on the Board of Directors of ADB.
19 Q. Were members of KBC New York put
20 on any committees or other management
21 bodies of ADB?
22 A. No.
23 Q. Did the credit approval process
24 change after KBC acquired its
25 controlling interest in ADB?
45: 1 MR. FORESTA: Did the ADB credit
2 approval process change?
3 MR. SULLIVAN: Yes.
4 A. Yes.
5 Q. In what respect did it change?
6 A. Its delegation authorities would

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 43 Ln: 21 - Pg: 53 Ln: 15 continued...

Annotation:

45: 7 have changed.
 8 Q. Sorry. It's what?
 9 A. We called them -- the credit
 10 delegation authorities might have
 11 changed.
 12 Q. Can you explain in what respect?
 13 A. For -- there are various Credit
 14 Committees with respect to the handling
 15 of credit facilities. There is a Credit
 16 Committee at the local level which
 17 would have been at the ADB level, but
 18 depending upon various factors,
 19 including probability of default, loss
 20 given default and the group exposure, a
 21 local credit might have had to be
 22 submitted to a higher Credit Committee
 23 and the higher Credit Committees were
 24 located in KBC.
 25 Q. In Belgium?
 46: 1 A. In Belgium.
 2 Q. Can you give an example of a
 3 higher Credit Committee?
 4 A. There was at the time I think
 5 three committees, the LCC, the ECC and
 6 I forget what the third one is called.
 7 Q. Okay. Is the ECC, the Extended
 8 Credit Committee, an ADB or a KBC body?
 9 A. It's a KBC body.
 10 Q. Okay. And the KBC
 11 representatives participate on that
 12 committee then?
 13 A. KBC Belgium --
 14 Q. -- representatives?
 15 A. -- representatives, yes.
 16 Q. And can you think of any other
 17 committees or management bodies beyond
 18 the Board of Directors, the ECC, the
 19 LCC?
 20 A. No.
 21 Q. Was there an initial level
 22 Credit Committee below or in addition
 23 to the ECC and LCC?
 24 A. There is also a Local Credit
 25 Committee, so in this case ADB would
 47: 1 have had its own Credit Committee.
 2 Q. Did KBC representatives sit or
 3 participate on ADB's own Credit
 4 Committee?
 5 A. No.
 6 Q. Did KBC representatives sit or

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 43 Ln: 21 - Pg: 53 Ln: 15 continued...

Annotation:

47: 7 participate on the Local Credit
 8 Committee?
 9 A. The LCC?
 10 Q. The LCC.
 11 A. Yes. That's at the KBC.
 12 Q. And it's at KBC Brussels?
 13 A. Yes.
 14 Q. So both the LCC and ECC are at
 15 KBC Brussels?
 16 A. Yes.
 17 Q. Was participation of KBC
 18 representatives required for a quorum
 19 at either the LCC or ECC? Could they
 20 make a decision without KBC
 21 representatives being there?
 22 A. I know these Credit Committees
 23 required a quorum. I don't know the
 24 makeup of the quorum.
 25 Q. What was the function of the
48: 1 LCC?
 2 A. Let me just -- can I explain the
 3 credit approval process?
 4 Q. Please do.
 5 A. So if ADB had a customer that it
 6 wanted to extend credit to, ADB would
 7 write a credit application with the
 8 proposed credit facility for the
 9 relevant customer. If they thought it
 10 was something that they were interested
 11 in doing, if it was within their
 12 delegation authorities, they would take
 13 the decision and book the credit. If it
 14 was outside their credit delegations,
 15 then it would get submitted up to a
 16 higher Credit Committee, which were
 17 located in KBC Belgium. The committee
 18 that got escalated to depended upon
 19 various factors; probability of
 20 default, loss given default and group
 21 exposure amount.
 22 Depending upon those factors the
 23 committee that would make -- would next
 24 make a decision on it would be either
 25 the LCC or the ECC. If the LCC or the
49: 1 ECC agreed to it, the credit
 2 application went back down to ADB and
 3 ADB would have the veto right,
 4 equivalent of a veto right that would
 5 accept the decision of the LCC and/or
 6 the ECC or not.

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 43 Ln: 21 - Pg: 53 Ln: 15 continued...

Annotation:

49: 7 Q. And where is this protocol that
8 you've just described set forth in
9 writing?
10 A. It's set forth in what's called
11 an IKB credit delegation.
12 Q. And what does IKB stand for?
13 A. I don't know.
14 Q. What does it mean for a credit
15 to be outside of credit delegations?
16 A. Again, you got to examine the
17 three factors and that made a
18 determination as to what Credit
19 Committee made -- took a decision on
20 it.
21 So if it was -- if it was
22 outside ADB's Credit Committee
23 delegation authorities that meant it
24 got calculated to the next higher
25 Credit Committee.
50: 1 Q. And was there an applicable
2 monetary limit that applied to credit
3 decisions at any stage of this process?
4 A. Group exposure amount.
5 Q. Can you explain the group
6 exposure amounts that were applicable
7 here?
8 A. It's --
9 MR. FORESTA: Hold on a second.
10 When you say "applicable here", are you
11 talking about the --
12 Q. Explain them in general and then
13 we'll apply them more specifically.
14 A. There were group exposure
15 amounts. Each Credit Committee had
16 authority to take a decision on credits
17 up to a certain group exposure amount.
18 If it was -- if the amount was above
19 their credit delegation the -- the
20 credit got escalated up to a higher
21 authority.
22 Q. And are the applicable amounts
23 set forth in the IKB counterparty
24 delegations?
25 A. Yes.
51: 1 Q. And do you recall what those
2 amounts are?
3 A. Not off the top of my head, no.
4 Q. Can you give me an
5 approximation?
6 A. No.

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Transcript: [2/16/2016] Grimmig, Diane

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Pg: 43 Ln: 21 - Pg: 53 Ln: 15 continued...

Annotation:

51: 7 Q. If the ECC denied a
8 recommendation of ADB, could ADB veto
9 or reject that decision and grant the
10 credit anyway?
11 A. No. ADB could seek an appeal.
12 Q. An appeal to KBC?
13 A. To the Credit Committee that
14 took the decision.
15 Q. With the LCC and ECC both being
16 at KBC Brussels, correct?
17 A. Correct. So if LCC or ECC took a
18 decision and ADB disagreed with the
19 decision, ADB could appeal the decision
20 and seek the relevant LCC or ECC to
21 change their position.
22 Q. So in other words, KBC had the
23 ultimate authority on the decision,
24 correct?
25 A. No. It always went back down to
52: 1 the local level.
2 Q. The local level being?
3 A. In this case ADB.
4 Q. But didn't you just tell me that
5 ADB did not have the right to reject
6 the decision of either the LCC or the
7 ECC at KBC Brussels?
8 A. They had the right to appeal it.
9 Q. To KBC?
10 A. Right.
11 Q. So whose ultimate authority --
12 A. Well, if they won the appeal
13 then ADB was the final authority.
14 Q. And who decides if they won
15 the -- win the appeal, KBC, correct?
16 A. It's always the local authority
17 has the ultimate decision.
18 Q. I'm sorry. I'm not -- maybe I'm
19 not being clear, Ms. Grimmig.
20 The appeal is to KBC, to the
21 committees resident at KBC, correct?
22 A. Correct.
23 Q. And the committees decide the
24 appeal, correct?
25 A. Correct.
53: 1 Q. So KBC decides the appeal,
2 correct?
3 A. To reject the credit.
4 Q. And ADB does not have the right
5 to overrule the decision of KBC to
6 reject the credit?

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Pg: 43 Ln: 21 - Pg: 53 Ln: 15 continued...

Annotation:

53: 7 A. To reject a credit, correct.
8 Q. Correct. Did the procedures that
9 you just described apply to
10 diamond-related credits?
11 A. It applied to all credits
12 proposed by ADB.
13 Q. Was the procedure different for
14 diamond-related credits in any way?
15 A. No.

Pg: 65 Ln: 4 - Pg: 68 Ln: 20

Annotation:

65: 4 Q. What was the approval process
5 for terminating an ADB credit facility?
6 A. It would be subject to the IKB
7 credit delegations.
8 Q. And do you recall what those
9 delegations provide with respect to the
10 termination of a credit facility?
11 A. It is my understanding ADB was
12 not required to notify LCC or ECC of a
13 termination, but they chose to do so.
14 Q. Are the IKB credit delegations a
15 KBC document or an ADB document?
16 A. They are a KBC document.
17 Q. And so it's the KBC document
18 that governs the procedure or process
19 for terminating an ADB credit facility?
20 Is that correct?
21 A. Yes.
22 Q. And do you know what role KBC
23 played in connection with the
24 termination of the Lazare credit
25 facility?
66: 1 A. ADB would have written a credit
2 application or a credit memo with a
3 proposed course of action that would
4 have got submitted to the appropriate
5 Credit Committee, who would take a
6 decision on the action proposed by ADB.
7 Q. And did ADB have the right to
8 disregard the decision taken by the
9 appropriate committee at KBC Brussels?
10 A. ADB was not required to go to
11 LCC or ECC, they chose to do so. So
12 once you submit something to Credit
13 Committee they will -- requesting a
14 decision, the LCC or ECC will take a
15 decision on it.

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Pg: 65 Ln: 4 - Pg: 68 Ln: 20 continued...

Annotation:

66:16 Q. Do you know why ADB chose to do
17 so, chose is to seek approval of KBC,
18 Brussels?
19 A. No.
20 Q. Do you know who made the
21 decision to terminate the Lazare credit
22 facility, what committee?
23 A. I believe it was ECC.
24 Q. And do you know who the members
25 of the ECC were at that point in time?
67: 1 A. No. The IKB credit delegations
2 would set forth the position of the
3 members of the ECC.
4 Q. Were there any ADB
5 representatives on the ECC at the time?
6 A. I don't know.
7 Q. As a matter of -- as a matter of
8 course, did ADB representatives serve
9 on the ECC at KBC Brussels?
10 A. No.
11 Q. So it was an all KBC committee?
12 A. It -- the committee changed and
13 they -- others could be invited to the
14 meetings. So ADB could have been
15 there. I don't know.
16 Q. Apart from attending as a guest,
17 is it fair to say that the members, the
18 membership of the committee was
19 entirely comprised of KBC
20 representatives?
21 MR. FORESTA: Note my objection.
22 A. Yes.
23 MR. SULLIVAN: You have to wait
24 for him to speak too.
25 THE WITNESS: Sorry.
68: 1 MR. FORESTA: Now you can
2 answer.
3 A. Yes.
4 Q. Do you know who made the
5 decision to terminate the Lazare credit
6 facility on behalf of ADB?
7 A. It would be in the credit
8 application, ADB's credit application.
9 Q. Do you recall the individuals
10 involved in that decision?
11 A. I don't recall the individual's
12 names, no.
13 Q. Do you know who made the
14 decision to -- for ADB to file a
15 lawsuit against Lazare?

TextMap Annotation Digest Report

Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 65 Ln: 4 - Pg: 68 Ln: 20 continued...

Annotation:

68:16 A. No.
17 Q. Do you know whether that
18 decision was submitted to KBC Brussels
19 in advance?
20 A. I don't know.

Pg: 70 Ln: 17 - Pg: 71 Ln: 25

Annotation:

70:17 (Exhibit 136, Declaration of
18 Diane Grimmig, was received and marked
19 on this date for identification.)
20 MS. GREDD: I have a copy that
21 doesn't have a marking.
22 MR. SULLIVAN: I stand corrected
23 by Mr. D'Angelo and Ms. Gredd. Let's
24 mark it.
25 Q. Do you have P-136 in front of
71: 1 you, Ms. Grimmig?
2 A. Yes.
3 Q. Is this the sworn Declaration
4 that you submitted in this lawsuit?
5 A. Yes.
6 Q. Okay. Is that your signature on
7 the last page of the Declaration, which
8 I believe is page 8?
9 A. Yes.
10 Q. Okay. And above your signature
11 you declared under penalty of perjury
12 that the foregoing is true and correct.
13 Do you see that?
14 A. Yes.
15 Q. And the Declaration is dated
16 June 15, 2012. Correct?
17 A. Yes.
18 Q. As you sit here today, is there
19 anything that you believe to be false
20 or incorrect in your Declaration?
21 A. No.
22 Q. Who drafted this document?
23 A. I did.
24 Q. When did you do so?
25 A. At the time requested.

Pg: 74 Ln: 22 - Pg: 82 Ln: 20

Annotation:

74:22 (Exhibit 146, letter dated
23 September 9, 2013 from KBC New York's
24 attorney to Judge Andrew Carter, was

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 74 Ln: 22 - Pg: 82 Ln: 20 continued...

Annotation:

74:25 received and marked on this date for
75: 1 identification.)
2 Q. Plaintiff's Exhibit 146 is a
3 letter dated September 9, 2013 from KBC
4 New York's attorney to Judge Andrew
5 Carter of the United States District
6 Court.
7 Do you have that in front of
8 you, Ms. Grimmig?
9 A. Yes.
10 Q. Did you review this letter to
11 the Court before it was filed?
12 A. Yes.
13 Q. Do you recall there being
14 anything inaccurate or untrue in the
15 letter?
16 A. No.
17 Q. Would you turn to page 7 of the
18 letter? Do you see in the second
19 paragraph, where it says "KBC has
20 agreed to produce the Services
21 Agreement that Ms. Grimmig referred to
22 in her Declaration, which governed the
23 terms under which KBC's New York branch
24 provided banking services to Antwerp
25 Bank's customers in New York?"
76: 1 Do you see those words in the
2 second paragraph of the letter from
3 KBC's counsel to the Court?
4 A. Yes.
5 Q. And you see the following
6 sentence that reads "A copy of that
7 agreement is attached hereto as Exhibit
8 A?"
9 A. Yes.
10 Q. Do you agree with the statement
11 in this letter that the Services
12 Agreement annexed as an exhibit to the
13 letter governed the terms under which
14 KBC New York provided banking services
15 to Antwerp's bank's customers in New
16 York?
17 A. It governed the agreement
18 between ADB and New York branch with
19 respect to the services that KBC New
20 York would furnish to ADB's customers
21 that had overdraft accounts with ADB.
22 Q. So do you agree with your
23 counsel's representation to the Court
24 that the Services Agreement that is

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 74 Ln: 22 - Pg: 82 Ln: 20 continued...

Annotation:

76:25 annexed as an exhibit to this letter
77: 1 governed the terms under which KBC New
2 York provided banking services to ADB's
3 customers in New York?
4 MR. FORESTA: Note my objection.
5 You can answer.
6 Q. Is that a true statement by your
7 attorneys to the Court?
8 A. It governed the handling --
9 ADB's agreement with ADB to open a DDA
10 account for ADB's customers in New
11 York.
12 Q. Is there a difference between
13 what you just said and what your
14 attorney said? Is that why you are
15 rephrasing it?
16 A. It's all interrelated.
17 Q. Is it the same thing?
18 A. It's the same thing, yes.
19 Q. It is the same thing. And does
20 the Services Agreement, the copy of the
21 Services Agreement that is attached as
22 Exhibit A to KBC's attorney's letter,
23 accurately reflect the manner in which
24 KBC New York provided such services to
25 ADB's customers in New York, like
78: 1 Lazare?
2 A. It set forth how KBC New York
3 would -- would handle ADB's customer's
4 account, DDA account with KBC.
5 Q. So the Services Agreement
6 accurately sets forth the manner in
7 which accounts would be handled? There
8 is nothing in the Services Agreement
9 that you disagree with or think is
10 untrue?
11 A. No.
12 Q. Good. So your familiar with the
13 Services Agreement?
14 A. Yes, I am.
15 Q. And Lazare was a customer of ADB
16 in New York, correct?
17 A. Yes.
18 Q. A diamond company customer,
19 correct?
20 A. Yes.
21 Q. And did the Services Agreement,
22 therefore, govern the banking services
23 that KBC New York provided to Lazare?
24 A. No.

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 74 Ln: 22 - Pg: 82 Ln: 20 continued...

Annotation:

78:25 Q. Why not?

79: 1 A. There was a separate account
2 agreement between Lazare and KBC New
3 York that set forth the terms and
4 conditions of Lazare's DDA account with
5 KBC New York.
6 Q. Did that account agreement
7 supersede anything in the Services
8 Agreement?
9 MR. FORESTA: Note my objection.
10 You can answer.
11 A. No. It's -- there are three
12 parties to this transaction, to this
13 relationship. So there is an agreement
14 between ADB and KBC New York, and there
15 is an agreement between ADB and Lazare
16 and there is also an agreement between
17 Lazare and KBC New York and there were
18 multiple documents and various
19 documents that reflected the
20 relationship among the parties.
21 Q. Perhaps we need to clarify the
22 question.
23 A. Okay.
24 Q. I just asked you whether the
25 Services Agreement governed the terms
80: 1 under which KBC New York provided
2 banking services to ADB's customers in
3 New York.
4 A. It sets forth the terms and
5 conditions -- it sets forth KBC's New
6 York agreement to provide -- it's an
7 agreement between KBC New York and ADB
8 that sets forth the terms and
9 conditions under which KBC New York
10 would furnish a DDA account to Lazare.
11 Q. It spells out the operational
12 banking services to be provided by KBC
13 New York to ADB's customers, correct?
14 MR. FORESTA: Note my objection.
15 Q. That's what it says, Ms.
16 Grimmig. Is it correct?
17 A. It sets forth the terms and
18 conditions under which KBC New York
19 agrees to provide a DDA account to
20 customers of ADB in New York.
21 Q. Is there anything in the
22 Services Agreement that you believe to
23 be incorrect or untrue?
24 A. No.

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 74 Ln: 22 - Pg: 82 Ln: 20 continued...

Annotation:

80:25 Q. Did KBC New York provide the
81: 1 banking services spelled out in the
2 Services Agreement to ADB's customers
3 in New York?
4 MR. FORESTA: Objection.
5 Q. You can answer.
6 MR. FORESTA: She already has
7 multiple times.
8 A. Yes.
9 MR. SULLIVAN: Counsel, no
10 colloquy on the record.
11 A. Yes.
12 Q. The answer is yes. Did you have
13 any role, did you play any role in the
14 development or preparation of the
15 Services Agreement?
16 A. The Legal Department would have
17 played a role.
18 Q. Who at the Legal Department
19 played a role?
20 A. I believe it was the General
21 Counsel at the time.
22 Q. Who is that?
23 A. Michael Curran.
24 Q. Do you know who drafted the
25 Services Agreement?
82: 1 A. No.
2 Q. Did you read the deposition
3 testimony of Philippe Loral in this
4 case?
5 A. I read it at the time, right
6 after he gave his deposition.
7 Q. Do you recall Mr. Loral
8 testifying that he drafted the Services
9 Agreement?
10 A. I don't recall.
11 Q. Is it correct that the Services
12 Agreement that's referred or referenced
13 by KBC's counsel letter and attached as
14 Exhibit A to the letter is the same
15 Services Agreement you referred to in
16 your Declaration?
17 A. Yes.
18 Q. We're not talking about a
19 different Services Agreement?
20 A. No.

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 84 Ln: 4 - Pg: 100 Ln: 25

Annotation:

84: 4 Q. Did you review the Services
5 Agreement before signing your
6 Declaration?
7 A. Yes.
8 Q. Did you rely on the Services
9 Agreement in preparing your
10 Declaration?
11 A. Yes.
12 Q. In fact, your Declaration was
13 addressed, in part, to the banking
14 services that KBC New York provided to
15 Lazare pursuant to the Services
16 Agreement, correct?
17 MR. FORESTA: Note my objection.
18 You can answer.
19 A. The services that KBC provided
20 to Lazare were governed by the account
21 agreement between Lazare and KBC New
22 York.
23 Q. But you've told us that the
24 services that are spelled out in the
25 Services Agreement, the banking
85: 1 services, were also provided by KBC New
2 York to Lazare, correct?
3 A. They were the beneficiary, yes.
4 Q. So the answer is yes?
5 A. Yes.
6 Q. Would you take a look at your
7 Declaration again?
8 A. Yes.
9 Q. Can you tell me where the words
10 "Services Agreement" or "services level
11 agreement" appear in your Declaration,
12 Ms. Grimmig?
13 A. I don't think it's specifically
14 referenced, but its contents are
15 discussed in my Declaration.
16 Q. Okay. So let's start with
17 specific reference. There is no
18 reference in the Services Agreement to
19 the Service Agreement in your sworn
20 Declaration, is there?
21 A. Correct.
22 Q. So your counsel's statement to
23 the Court is incorrect in that regard,
24 correct?
25 A. Technically, yes.
86: 1 Q. Technically, yes. Okay. And is
2 it your testimony that you discussed,
3 in your sworn Declaration, the contents

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

86: 4 of the Service Agreement? Is that your
5 testimony?
6 A. There are concepts, there are
7 terms in the Service Agreement that are
8 referenced in my Declaration.
9 Q. Well, is there a disclosure of
10 any kind in your sworn Declaration that
11 KBC New York and ADB had a formal
12 written agreement pertaining to the
13 banking services to be provided by KBC
14 New York to ADB's customers in New
15 York? Is there a disclosure of any
16 kind that there was a formal written
17 agreement, Ms. Grimmig?
18 Take a look at your Declaration
19 if you like.
20 (Whereupon, the Deponent reviews
21 the document.)
22 A. There is not a specific
23 reference or naming of the servicing
24 agreement, but the concepts in the
25 servicing agreement are captured in my
87: 1 Declaration.
2 Q. Well, we'll get to the capture
3 part of your testimony, but I'm asking
4 you a different question.
5 A. Sorry.
6 Q. I'd like an answer to my
7 question.
8 A. Sorry.
9 Q. My question is, did you tell
10 Judge Carter in your Declaration that
11 KBC New York and ADB had entered into a
12 formal written agreement regarding the
13 operational banking services to be
14 provided by KBC New York to ADB's
15 customers in New York?
16 We know you didn't mention the
17 Service Agreement. Did you tell the
18 Court that there existed a formal
19 written agreement?
20 A. I did not.
21 Q. You did not. So let me see if I
22 understand correctly, you didn't
23 disclose to the Court that -- the
24 existence of the Service Agreement.
25 You didn't disclose to the Court that
88: 1 KBC New York and ADB had a formal
2 written agreement with respect to the
3 operational services to be provided by

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

88: 4 KBC New York to ADB's customers. You
5 didn't produce or submit a copy of the
6 Services Agreement to the Court. Is
7 that all correct?
8 A. I believe we produced a copy of
9 the servicing agreement as part of the
10 production of documents.
11 Q. In discovery?
12 A. Yes.
13 Q. After the motions to the Court
14 were decided?
15 A. I don't know the timing of the
16 discovery versus motions.
17 Q. Take a look at the date of your
18 attorney's letter to the Court
19 enclosing the agreement, September 9,
20 2013.
21 Do you recall when the Motion to
22 Dismiss, that your bank made to Judge
23 Carter, was decided both by the
24 District Court in the Second Circuit?
25 A. I don't recall.
89: 1 Q. I'll represent to you that it
2 was before September, 2013, Ms.
3 Grimmig.
4 So is there anything incorrect
5 about the facts that I just asked you;
6 one, you didn't tell Judge Carter about
7 the Services Agreement, about the
8 existence of the Service Agreement;
9 two, you didn't submit a copy of the
10 Services Agreement to the Court; three,
11 you didn't tell Judge Carter that KBC
12 New York and ADB had entered into a
13 formal written agreement regarding the
14 operational banking services to be
15 provided by KBC New York to ADB's
16 customers in New York? Anything
17 incorrect about those three facts?
18 A. All I can tell you is we
19 produced the servicing agreement as
20 part of the discovery. I did not
21 explicitly reference the Service
22 Agreement in my Declaration, but I
23 incorporated its terms in my
24 Declaration.
25 Q. Did you quote from the Services
90: 1 Agreement in your Declaration anywhere?
2 A. No, but I paraphrased.
3 Q. You paraphrased?

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

90: 4 A. Yes.
5 Q. So who made the decision, Ms.
6 Grimmig, not to tell Judge Carter about
7 the existence of the Service Agreement,
8 not to give him a copy of the Service
9 Agreement, not to quote from the
10 Service Agreement, not even to tell him
11 there was a formal written agreement
12 that might apply to the banking
13 services provided by KBC New York? Who
14 made that decision, you?
15 MR. FORESTA: Objection to the
16 question.
17 Q. You can answer.
18 A. No.
19 Q. Who made the decision?
20 A. I don't know.
21 Q. Did you give any thought
22 whatsoever to submitting the Service
23 Agreement that you summarized
24 submitting it to the Court in
25 connection with your attorney's motion?
91: 1 A. I -- as part of the document
2 production, I produced the Service
3 Agreement.
4 Q. After the motion was decided by
5 the District Court in the Second
6 Circuit Court of Appeals, why did you
7 wait until then?
8 MR. FORESTA: Objection.
9 Q. Why didn't you do so prior?
10 A. I produced it when I was
11 required to provide it.
12 Q. Is it your sworn testimony, Ms.
13 Grimmig, that you accurately and
14 honestly summarized the provisions of
15 the Services Agreement in your sworn
16 Declaration?
17 A. Yes.
18 Q. That's your sworn testimony?
19 A. Yes.
20 Q. And you weren't trying to
21 mislead or deceive the Court by not
22 disclosing or producing the Services
23 Agreement, correct?
24 A. Not at all.
25 Q. You understood at the time you
92: 1 signed your Declaration that KBC New
2 York was claiming that it had nothing
3 to do with the transactions in the

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

92: 4 Complaint, correct?
5 MR. FORESTA: Objection.
6 A. I stated that there was no
7 allegation or claims asserted against
8 KBC New York.
9 Q. And did you understand that KBC
10 New York was arguing to Judge Carter
11 that this case should be litigated in
12 Belgium instead of New York because it
13 has no connection to Lazare's banking
14 relationship at KBC New York? Did you
15 understand that at the time you signed
16 your Declaration?
17 A. I understood that the
18 allegations and the disputes related to
19 transactions between Lazare and ADB.
20 Q. Did you understand that KBC New
21 York was arguing that it played a
22 merely ministerial role in connection
23 with the credit facility and that the
24 case properly belongs in Belgium and
25 New York, that it's centered in Belgium
93: 1 and not New York? Did you understand
2 that?
3 A. Yes.
4 Q. And so you summarized in your
5 words the concepts in the Services
6 Agreement instead of producing the
7 Services Agreement?
8 MR. FORESTA: Objection.
9 A. Correct.
10 Q. And you weren't trying to
11 mislead or deceive Judge Carter in any
12 way, correct?
13 A. Correct.
14 Q. Okay. Is there anything in the
15 Services Agreement that contradicts the
16 factual assertions in your Declaration,
17 Ms. Grimmig?
18 A. No.
19 Q. Are you sure about that?
20 A. I'm sure.
21 Q. Do you know whether Veerle
22 Snyers disclosed the existence of the
23 Services Agreement or produced a copy
24 in her sworn Declarations to the Court?
25 A. I don't know.
94: 1 Q. You reviewed her sworn
2 Declarations prior to signing your own,
3 did you not?

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

94: 4 A. I reviewed them. I don't know
5 whether I reviewed them -- I reviewed
6 them at the time that she had signed
7 and delivered them. I don't know if
8 that was before or after mine.
9 Q. You actually cite to her
10 Declaration in your own Declaration,
11 Ms. Grimmig?
12 A. Okay.
13 Q. Does that mean to you that you
14 looked at the Declaration --
15 A. Yes.
16 Q. -- before you signed it?
17 You have to let me finish,
18 please. The answer is yes?
19 A. Yes.
20 Q. How about Walter Haeck, he
21 submitted sworn Declaration to the
22 Court, didn't he?
23 A. Yes.
24 Q. Did he produce a copy of the
25 Services Agreement?
95: 1 A. I don't recall.
2 Q. Did he quote from the Services
3 Agreement in his Declaration?
4 A. I don't recall.
5 Q. Are you aware that you,
6 Ms. Snyers, and Mr. Haeck all submitted
7 sworn Declarations to the Federal
8 District Court in this case regarding
9 the banking services provided by KBC
10 New York to Lazare and not one of you
11 produced the Services Agreement or
12 quoted from it? Are you aware of that?
13 MR. FORESTA: Objection. You can
14 answer.
15 A. Yes.
16 Q. Not one of you produced the
17 Services Agreement, even though it
18 governs, by your testimony, Ms.
19 Grimmig, its terms under which KBC New
20 York provided banking services to
21 Lazare? Do you understand that?
22 MR. FORESTA: Objection.
23 A. It's -- the servicing agreement
24 is an agreement between KBC New York
25 and ADB. Lazare is not a party to the
96: 1 Service Agreement.
2 Q. Lazare is a beneficiary of the
3 Services Agreement, according to you?

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

96: 4 Is that correct?
5 A. The relationship between KBC New
6 York and Lazare is governed by an
7 account agreement, not the Service
8 Level Agreement.
9 Q. Is that why you made the
10 decision not to tell Judge Carter about
11 the Services Agreement?
12 MR. FORESTA: Objection.
13 Q. Did you think it was irrelevant
14 to the issues before the Court?
15 A. No. Again, we -- we -- I
16 produced the Service Level Agreement as
17 required.
18 Q. You produced the agreement in
19 September, 2013 in discovery after the
20 Second Circuit reversed and remanded to
21 the District Court for further
22 proceedings. Is that correct?
23 A. According to the timeline you've
24 given me, yes.
25 Q. Are you aware that the Service
97: 1 Agreement requires ADB to open a
2 pooling account at ADB -- at KBC New
3 York, rather? Sorry.
4 A. The account was already opened.
5 Q. When was the pooling account
6 opened at KBC New York?
7 A. It was opened at -- I don't know
8 the time but it's prior to the relevant
9 time of this case.
10 Q. Is it prior to the date of the
11 Services Agreement, October, 1999?
12 A. I believe so.
13 Q. Okay.
14 MR. FORESTA: Chris, we've been
15 going about an hour and a half. Would
16 this be a good time for a break?
17 MR. SULLIVAN: Let's take five
18 minutes.
19 Q. So I ask you again, are you
20 aware that the Services Agreement
21 expressly requires ADB to open a
22 pooling account at KBC New York?
23 A. Yes, but the account was already
24 opened.
25 Q. But you're aware that the
98: 1 agreement --
2 A. Yes.
3 Q. -- contains that express

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

98: 4 provision, correct?
5 A. Correct.
6 Q. And are you aware that the
7 Services Agreement described how the
8 pooling account operates in connection
9 with bank accounts opened by New York
10 diamond customers such as Lazare?
11 MR. FORESTA: Objection. Go
12 ahead. You can answer.
13 A. Yes.
14 Q. Okay. You didn't mention the
15 pooling account in your Declaration,
16 did you, Ms. Grimmig?
17 A. No.
18 Q. Veerle Snyers didn't mention the
19 pooling account in her Declarations,
20 did she?
21 A. I don't recall.
22 Q. Walter Haeck didn't mention the
23 pooling account in his Declaration, did
24 he?
25 A. I don't recall.
99: 1 Q. You do recall that you declared
2 under penalty of perjury that the
3 statements in your Declaration are true
4 and correct, you do recall that?
5 A. Yes.
6 Q. You are a lawyer with a license
7 to practice law in New York, are you
8 not?
9 A. Yes.
10 Q. And you understand what it means
11 to make a Declaration under oath?
12 A. Yes.
13 Q. Is there a reason why you didn't
14 tell Judge Carter about the ADB pooling
15 account at KBC New York?
16 A. I think my Declaration mentioned
17 that there was a -- ADB had an account
18 with us.
19 Q. Does it contain any reference to
20 the pooling account?
21 A. In KBC New York we do not call
22 it a pooling account. It's just an ADB
23 U.S. dollar account.
24 Q. Can you point me to the
25 reference in your Declaration that
100: 1 describes the pooling account?
2 (Whereupon, the Deponent reviews
3 the document.)

TextMap Annotation Digest Report

Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 84 Ln: 4 - Pg: 100 Ln: 25 continued...

Annotation:

100: 4 A. It mentions the Lazare Antwerp
 5 bank account.
 6 Q. But I'm asking you about the
 7 pooling account, or an account under
 8 any different terminology that you care
 9 to employ, is there a reference in your
 10 Declaration to the pooling account
 11 under any name, the ADB pooling account
 12 at KBC New York?
 13 A. No.
 14 Q. Were you trying to deceive the
 15 Court into granting KBC's motion by not
 16 informing Judge Carter about the ADB
 17 pooling account?
 18 A. Not at all.
 19 Q. Do you know why Veerle Snyers
 20 and Walter Haeck didn't tell the Court
 21 about the pooling account?
 22 A. No.
 23 Q. Did anyone tell you not to
 24 reference the pooling account?
 25 A. Not at all.

Pg: 101 Ln: 9 - Pg: 113 Ln: 24

Annotation:

101: 9 Q. So would you turn to the
 10 Services Agreement that is next to your
 11 attorney's letter as an exhibit and
 12 it's also separate in front of you, I
 13 believe?
 14 And let's begin with -- you
 15 testified, I believe, that the pooling
 16 account, the ADB pooling account at KBC
 17 New York, was opened prior to the date
 18 of the Services Agreement which is
 19 October 15, 1999. Is that correct?
 20 A. Yes.
 21 Q. So you were aware at the time
 22 you signed your Declaration that ADB
 23 had opened a pooling account at the New
 24 York branch of KBC, is that correct?
 25 A. Yes.
 102: 1 Q. And looking at the Services
 2 Agreement, itself, do you see the
 3 fourth "whereas" clause that reads --
 4 it's on page 1, "ADB agrees to open a
 5 pooling account with KBC to fund the
 6 payments effectuated by KBC on behalf
 7 of the diamond clients." Do you see

TextMap Annotation Digest Report

Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 101 Ln: 9 - Pg: 113 Ln: 24 continued...

Annotation:

102: 8 that "whereas" clause?
9 A. Yes.
10 Q. And the reference to KBC is to
11 KBC New York. Is that correct?
12 A. Yes.
13 Q. And Lazare was one of the
14 diamond clients that was covered by
15 this provision, correct?
16 A. Once ADB had opened up a DDA
17 account with New York.
18 Q. Once ADB had opened up --
19 A. Sorry. Lazare had opened up.
20 Q. That upon opening an account at
21 KBC New York Lazare was covered by this
22 provision?
23 A. Would be -- have the benefits.
24 Q. Would have the benefits of this
25 provision. Okay.
103: 1 And ADB maintained that pooling
2 account at KBC New York consistently
3 through the relevant period of time --
4 A. Yes.
5 Q. -- correct? Okay. And would you
6 take a look at paragraph 3 on page 2 of
7 the Services Agreement? Would you read
8 the first sentence of paragraph 3 to
9 us?
10 A. "Each day KBC clears the
11 customer's account via ADB's pooling
12 under agreement advisement with the
13 diamond client."
14 Q. So does the reference to
15 customer's account include Lazare from
16 and after the time Lazare opened an
17 account at KBC New York?
18 A. Yes.
19 Q. So under this provision KBC New
20 York is clearing Lazare's account at
21 KBC New York via ADB's pooling. Is that
22 correct?
23 A. We would be making debits and --
24 every debit and credit entry on
25 Lazare's KBC New York account, we would
104: 1 make a corresponding or the reverse
2 entry, debit and credit on the what you
3 call ADB's pooling account.
4 Q. And what is the reference to
5 "agreement/advisement with the diamond
6 client" mean?
7 A. Every time there was a debit or

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Pg: 101 Ln: 9 - Pg: 113 Ln: 24 continued...

Annotation:

104: 8 credit to Lazare's DDA account at KBC
 9 New York we informed both Lazare and we
 10 also at the same time informed ADB.
 11 Q. And turning to the second
 12 sentence, do you see the sentence that
 13 reads "Credit positions on the diamond
 14 client's accounts are transferred to
 15 the pooling account as well?"
 16 Again, does the reference to
 17 "diamond clients" include Lazare from
 18 and after the time Lazare opened an
 19 account at KBC New York?
 20 A. Yes.
 21 Q. And can you explain how credit
 22 positions on Lazare's account would be
 23 transferred to ADB's pooling account at
 24 KBC New York?
 25 A. At the end of each day KBC New
 105: 1 York would look at the balance on
 2 Lazare's DDA account. If there was a
 3 credit on the account a debit entry
 4 would be made on Lazare's DDA account
 5 at KBC New York to zero it out and a
 6 corresponding credit would be made to
 7 ADB's pooling account.
 8 Q. And this process pertains to
 9 both debits and credits in Lazare's
 10 account at KBC New York, correct?
 11 A. Yes.
 12 Q. So let's look at how you went
 13 about describing the concept of
 14 paragraph 3 in your Declaration,
 15 Ms. Snyers -- Grimmig, sorry. Would you
 16 turn to paragraph 11 of your sworn
 17 Declaration?
 18 Do you see in the second
 19 sentence of paragraph 11 the sentence
 20 that begins "Similarly and as described
 21 in the Snyers reply Declaration, if the
 22 amounts deposited in the KBC account
 23 exceeded the amounts withdrawn from the
 24 account on any given day the excess
 25 funds would be swept out of the account
 106: 1 regardless of whether the funds were
 2 unused credits from the Lazare Antwerp
 3 Bank account or payments received from
 4 Lazare's customers and credited to the
 5 Lazare Antwerp Bank account. The amount
 6 of the overdraft outstanding at the
 7 Lazare Antwerp Bank account would be

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Issue Filter: Depo Designation

Pg: 101 Ln: 9 - Pg: 113 Ln: 24 continued...

Annotation:

106: 8 reduced by the amount swept into the
9 Lazare Antwerp Bank account?"
10 Is that statement by you to the
11 Court, Ms. Grimmig, consistent with
12 paragraph 3 of the Services Agreement?
13 A. The shared agreement has more
14 details than the description in the
15 Declaration.
16 Q. Well, can you explain to me how
17 the pooling account factors into the
18 description in paragraph 11 of your
19 Declaration that I just read out loud?
20 What part of that pertains to the
21 pooling account?
22 A. So as I say, at the end of the
23 day if there is a credit balance on
24 Lazare's DDA account with KBC New York,
25 KBC New York would put a debit entry on
107: 1 the Lazare DDA account and then would
2 make a credit entry on ADB's pooling
3 account with -- to zero out Lazare's
4 DDA account, and then once the funds
5 are in the ADB's pooling account, ADB
6 could do with those funds what it
7 wanted to.
8 Q. So, Ms. Grimmig --
9 A. Let me step back. Sorry. Can I
10 --
11 Q. Please.
12 A. So every time there was a debit
13 or credit on the Lazare DDA account,
14 notification was given to Lazare at the
15 same time we were giving SWIFT messages
16 in real-time informing ADB of debits
17 and credits so that that ADB could be
18 making entries on the Lazare's
19 overdraft account at ADB.
20 Q. So according to the Services
21 Agreement, Lazare's credit position was
22 reduced by the amount of funds that KBC
23 New York swept into ADB's pooling
24 account at KBC New York, correct?
25 A. Correct.
108: 1 Q. And that reduction was achieved
2 via internal entries --
3 A. Right.
4 Q. -- to quote the Services
5 Agreement, made by ADB upon receipt of
6 notice, via informational SWIFT
7 messages from KBC New York. Correct?

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Pg: 101 Ln: 9 - Pg: 113 Ln: 24 continued...

Annotation:

108: 8 Sorry, you have to answer out layout.
9 Court reporter can't take down a nod.
10 A. Sorry. Correct.
11 Q. So to be clear, the funds,
12 positive or negative, from Lazare's
13 bank account at KBC New York were swept
14 by KBC New York into ADB's pooling
15 account at KBC New York, correct?
16 A. Correct.
17 Q. So, Ms. Grimmig, it's not true
18 then that KBC New York swept funds from
19 Lazare's bank account at KBC New York
20 into an alleged Lazare bank account at
21 ADB Belgium, is it?
22 MR. FORESTA: Objection. You
23 can answer.
24 A. KBC New York only had authority
25 to withdraw funds out of Lazare's DDA
109: 1 account and put them into ADB's pooling
2 account. Once the money was in ADB's
3 pooling account, ADB could do what it
4 wanted with those funds, and if they
5 wanted to move those funds out of the
6 ADB pooling account to anyplace else,
7 they had the right to do so.
8 Q. But that's not what you told the
9 Judge. In your Declaration you told the
10 Judge, under oath, that the monies in
11 Lazare's bank account, the balance,
12 positive or negative, was swept into an
13 alleged bank account in Belgium. You
14 left out the pooling account. You left
15 out the fact that the sweeping process
16 went from Lazare bank account at KBC
17 New York to ADB bank account at KBC New
18 York. Why did you do that?
19 MR. FORESTA: Objection. You can
20 answer.
21 A. Because ultimately the funds
22 went to ADB.
23 Q. So you made the decision not to
24 tell Judge Carter about the
25 intermediate step, you jumped right to
110: 1 "ultimately". Is that your testimony,
2 Ms. Grimmig?
3 MR. FORESTA: Objection.
4 A. The Declaration is supposed to
5 give as accurate a description of the
6 process as possible, but it's not meant
7 to contain every nitty-gritty detail of

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Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 101 Ln: 9 - Pg: 113 Ln: 24 continued...

Annotation:

110: 8 the process.
9 Q. Is that -- is the pooling
10 account a nitty-gritty detail, Ms.
11 Grimmig? Is that your testimony?
12 A. My testimony is that at the end
13 of the day what was important to
14 disclose was that the funds ultimately
15 went into the possession of ADB.
16 Q. Who made the decision as to what
17 was important to disclose to Judge
18 Carter in connection with your
19 attorney's motion, you?
20 MR. FORESTA: Note my objection.
21 Q. You?
22 MR. FORESTA: I'll just caution
23 you not to disclose sum or substance of
24 any discussions that you had with
25 counsel, to the extent you did.
111: 1 A. It was not my -- I did not take
2 a decision.
3 Q. You didn't make the decision not
4 to disclose to Judge Carter in this
5 lawsuit the existence of the pooling
6 account or the operation of the pooling
7 account? Is that your testimony?
8 MR. FORESTA: Objection. You can
9 answer.
10 A. In my Declaration I made a
11 disclosure of the process of the
12 handling of the KBC New York DDA
13 account for Lazare and KBC New York's
14 handling of ADB's pooling account. I
15 did not provide nitty-gritty details.
16 Q. You knew at the time you signed
17 your Declaration that no money went to
18 or from Belgium in this process, didn't
19 you, Ms. Grimmig?
20 A. I don't know that's a true
21 statement. ADB -- the funds went into
22 -- the funds were owned by ADB. ADB
23 can do with those funds as it wanted
24 to.
25 Q. We're talking about the
112: 1 allegation or the factual assertion in
2 your Declaration regarding the movement
3 of monies, positive or negative
4 balances, out of Lazare's bank account?
5 A. Okay.
6 Q. And I'm asking you whether you
7 knew at the time you signed your

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Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 101 Ln: 9 - Pg: 113 Ln: 24 continued...

Annotation:

112: 8 Declaration under oath that the money,
9 the positive or negative balance moved
10 from Lazare's bank account in New York
11 to ADB's bank account in New York? Did
12 you know that at the time you signed
13 your Declaration?
14 A. I knew that KBC New York would,
15 at the end of the day, put a debit
16 entry on Lazare's DDA account and make
17 a corresponding credit entry on ADB's
18 U.S. what you call pooling account.
19 Once those funds went into the pooling
20 account, ADB had the right to do with
21 those funds as it pleased.
22 Q. And you testified earlier, I
23 believe, that you drafted your
24 Declaration?
25 A. Yes, I did.
113: 1 Q. So without disclosing anything
2 that your attorneys may have said to
3 you, did you discuss with anyone before
4 signing your Declaration the decision
5 to describe the contents of the
6 Services Agreement in the manner in
7 which you did?
8 A. I wrote it, so...
9 Q. Did you discuss with anyone the
10 decision not to tell Judge Carter about
11 the pooling account, the movement of
12 monies or the Services Agreement --
13 MR. FORESTA: Objection.
14 Q. -- other than counsel?
15 MR. FORESTA: You can answer.
16 A. No, but --
17 Q. Sorry.
18 A. -- but the shared agreement was
19 not deemed -- I did not -- as long as I
20 disclosed the process, I didn't think
21 it was necessary to explicitly
22 reference the shared agreement. There
23 was no intention to -- to hide or --
24 the existence of the sharing agreement.

Pg: 114 Ln: 4 - Pg: 118 Ln: 23

Annotation:

114: 4 Q. I'm going to ask you to turn to
5 the sworn Declaration submitted by
6 Veerle Snyers to the Court, which is
7 115 and 117. I'm going to direct to you

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Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 114 Ln: 4 - Pg: 118 Ln: 23 continued...

Annotation:

114: 8 page 6, paragraph 11 of Ms. Snyers'
 9 sworn Declaration, which is dated June
 10 18, 2012 -- sorry -- June 14, 2012, and
 11 in particular, subparagraph H on page
 12 6.
 13 Do you recall reviewing the
 14 language in paragraph 11(h) of
 15 Ms. Snyers' Declaration before signing
 16 your own Declaration?
 17 A. I recall reading her
 18 Declaration, but I don't remember the
 19 specifics.
 20 Q. Do you know who drafted Ms.
 21 Snyers' Declaration?
 22 A. It's my understanding that she
 23 drafted it, herself.
 24 Q. And did you consider Ms. Snyers
 25 competent to testify regarding the
 115: 1 matters discussed in her Declaration?
 2 A. As the author of her
 3 Declaration, I would say she was
 4 competent to testify with respect to
 5 it.
 6 Q. Do you know Ms. Snyers, other
 7 than casually?
 8 A. No.
 9 Q. You're not friends?
 10 A. No.
 11 Q. Did you take any steps to verify
 12 whether the statements in Ms. Snyers'
 13 Declaration were accurate and true
 14 before you signed your own Declaration?
 15 A. Yes.
 16 Q. What steps did you take?
 17 A. I discussed with our Cash
 18 Management and Payment Department how
 19 DDA accounts worked and the zero
 20 balancing of accounts worked.
 21 Q. And who is that person? What is
 22 the name of that person.
 23 A. Ruggerio Pestana.
 24 Q. Based here in New York?
 25 A. Yes.
 116: 1 Q. And directing your attention in
 2 particular to the last sentence of (h),
 3 11(h), do you see where it says "In
 4 addition, because the account at KBC
 5 New York is a Zero Balance Account any
 6 funds transferred into the KBC New York
 7 account are automatically credited to

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Transcript: [2/16/2016] Grimmig, Diane

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Pg: 114 Ln: 4 - Pg: 118 Ln: 23 continued...

Annotation:

116: 8 or swept into the customer's bank
9 account at Antwerp Bank at the end of
10 the day."
11 Do you see where Ms. Snyers
12 wrote that?
13 A. Right.
14 Q. She didn't reference the pooling
15 account either, did she, in this
16 description?
17 A. No.
18 Q. Do you know why?
19 A. No.
20 Q. Did you rely on the language in
21 her Declaration, the "swept into the
22 customer's bank account at Antwerp
23 Bank?" Did you rely on that language
24 in drafting your own Declaration?
25 A. No. I relied on my conversations
117: 1 with my Cash Management and Payment
2 team, who told me every time there was
3 a debit or credit to Lazare's DDA
4 account with KBC New York, KBC New
5 York, in real-time, would send a SWIFT
6 message to ADB in -- in Belgium of the
7 debit and credit so they could make a
8 corresponding entry into the overdraft
9 account that Lazare had at ADB.
10 Q. And that corresponding entry is
11 a book entry or an accounting entry?
12 A. Yes.
13 Q. Is that correct?
14 A. KBC New York does not handle
15 physical cash.
16 Q. And dollars never leave America,
17 do they, Ms. Grimmig?
18 A. They can't.
19 Q. Did they, in this case, ever
20 leave?
21 A. ADB's pooling account, yes, had
22 both debits and credits to the account
23 and so, the debit entry would require
24 movement of funds.
25 Q. Is it your testimony that U.S.
118: 1 dollars moved from the pooling account
2 to Belgium as opposed to accounting or
3 bookkeeping entries?
4 MR. FORESTA: Note my objection.
5 Q. Was there a physical movement of
6 dollars?
7 A. We -- KBC New York does not

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Pg: 114 Ln: 4 - Pg: 118 Ln: 23 continued...

Annotation:

118: 8 handle physical cash, so movement of
9 funds was done by -- by book entries.
10 Q. And that's true of all the
11 increases and decreases to Lazare's
12 outstanding loan balance under the
13 credit facility, correct? All that
14 happened were book entries or
15 accounting entries? All that happened
16 in Belgium were book entries or
17 accounting entries, correct?
18 MR. FORESTA: Note my objection.
19 Q. You can answer.
20 A. That is how banks transfer
21 money. You don't physically deliver
22 cash, you do wire transfers of funds
23 which are book entries.

Pg: 140 Ln: 25 - Pg: 145 Ln: 11

Annotation:

140:25 Q. Would you turn to your
141: 1 Declaration again, paragraph 2 but at
2 the top of page 2?
3 A. Right.
4 Q. Do you see the sentence, second
5 to last sentence that reads "I submit
6 this Declaration to describe KBC's
7 relationship with Lazare, its local
8 partner banking relationship with
9 Antwerp Bank etcetera etcetera"? Do
10 you see where I'm reading from?
11 A. Yes.
12 Q. What does the reference to KBC's
13 local partner relationship with Antwerp
14 Bank mean?
15 A. KBC New York provided a U.S.
16 dollar account for ADB.
17 Q. What is a local partner bank?
18 A. I don't know.
19 Q. Well, you wrote the Declaration.
20 So --
21 A. I think for me it was just
22 describing that we opened up a U.S.
23 dollar clearing account for ADB and we
24 would open up a DDA account for ADB's
25 U.S. customers to facilitate ADB's
142: 1 overdraft account with the same
2 customer.
3 Q. But you knew at the time you
4 wrote this that ADB had also opened a

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Pg: 140 Ln: 25 - Pg: 145 Ln: 11 continued...

Annotation:

142: 5 pooling account at KBC New York, a
 6 pooling account?
 7 A. That is what I call the U.S.
 8 dollar account. Sorry. It's --
 9 Q. How many different accounts did
 10 ADB open and/or maintain at KBC New
 11 York during the relevant period of
 12 time?
 13 A. I believe it had -- it had the
 14 U.S. dollar account, the pooling
 15 account.
 16 Q. Is that the only bank account
 17 you're aware of?
 18 A. I believe it might have also had
 19 a second account that was an expense
 20 account.
 21 Q. Is that a subaccount or a
 22 separate bank account?
 23 A. It's a separate bank account.
 24 Q. Were there any subaccounts to
 25 either of the pooling account or the
 143: 1 expense account?
 2 A. No.
 3 Q. What is an expense account?
 4 A. I believe it was an account used
 5 to cover ADB's cost and expenses with
 6 respect to the New York Rep Office. So
 7 it would cover their rental payments on
 8 the ADB New York reps sublease here in
 9 New York.
 10 Q. ADB sublet its space from KBC
 11 New York?
 12 A. Yes, it did.
 13 Q. And it paid rent for that space?
 14 A. Yes.
 15 Q. Is the term "local partner bank"
 16 defined in any banking rules or
 17 regulations or laws that you're aware
 18 of?
 19 A. No.
 20 Q. Where did you get the term?
 21 A. It was just a term describing --
 22 in this case, it was describing the --
 23 the KBC New York opening a DDA account
 24 on behalf of ADB's diamond customers in
 25 the U.S.
 144: 1 Q. What is the difference between a
 2 local partner bank relationship and a
 3 correspondent bank relationship?
 4 A. They can be the same.

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Pg: 140 Ln: 25 - Pg: 145 Ln: 11 continued...

Annotation:

144: 5 Q. Can they be different?
6 A. They can be different.
7 Q. In what sense can they be
8 different?
9 A. I think in this particular case
10 we provided ADB with not just U.S.
11 dollar clearing, but we also agreed to
12 open up DDA accounts for ADB's diamond
13 customers in the U.S. to facilitate an
14 overdraft account between ADB and such
15 diamond customers.
16 Q. Is a local partner bank
17 relationship different in any other
18 respect from a correspondent bank
19 relationship?
20 A. It could be.
21 Q. In what other respects could it
22 be different?
23 A. We could have -- if the bank
24 provided any other services to ADB
25 or...
145: 1 Q. So did I understand correctly
2 that a local partner bank has a greater
3 responsibility than a correspondent
4 bank?
5 A. Not greater. It could be
6 different.
7 Q. But you don't know where the
8 term comes from?
9 A. No. It's just a term I used to
10 describe the relationship between ADB
11 and myself -- and KBC New York.

Pg: 145 Ln: 12 - Pg: 147 Ln: 25

Annotation:

145:12 Q. Are the operational banking
13 services that are described in the
14 Service Agreement correspondent bank
15 services?
16 A. I think it -- no. It's more
17 focused on -- I don't recall. I would
18 have to read the agreement.
19 Q. The Services Agreement?
20 A. But I think the Service
21 Agreement was primarily focusing on KBC
22 New York agreeing to open up DDA
23 accounts for ADB's customers to
24 facilitate ADB's overdraft accounts
25 with the same customer.

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Pg: 145 Ln: 12 - Pg: 147 Ln: 25 continued...

Annotation:

146: 1 Q. Well, would you turn back to the
2 Services Agreement, and in particular
3 the second "whereas" clause on page 1?
4 It's annexed to 57.
5 MR. D'ANGELO: It's a separate
6 document.
7 Q. It's a pile in that folder.
8 There should be a Services Agreement
9 folder in there.
10 So directing your attention to
11 the second "whereas" clause, would you
12 read that clause?
13 A. "KBC agrees to provide certain
14 operational services to ADB and to
15 ADB's clients, hereinafter referred to
16 as diamond clients, specifically
17 allowing diamond clients to open
18 current accounts in their books and
19 effectuating both local and
20 international payments and other
21 banking services on behalf of the
22 diamond clients."
23 Q. Thank you. So doesn't this
24 clause indicate to you that KBC was
25 agreeing to provide operational
147: 1 services to ADB as well as to ADB's
2 clients?
3 That's what the clause says
4 doesn't it, Ms. Grimmig?
5 A. Yes.
6 Q. So the services were not limited
7 to the clients of ADB, they included
8 services provided by KBC New York to
9 ADB?
10 A. With respect to ADB's clients.
11 Q. Okay. So I ask you again, are
12 the operational banking services
13 described in the clause you just read
14 correspondent banking services?
15 A. No.
16 Q. Why not?
17 A. I view corresponding banking
18 relationship to refer to the U.S.
19 dollar clearing activity.
20 Q. And do you view correspondent
21 banking services to be limited to the
22 U.S. dollar clearing activity?
23 A. Typically the terminology is
24 used with respect to U.S. dollar
25 clearing activity.

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Transcript: [2/16/2016] Grimmig, Diane

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Pg: 148 Ln: 7 - 18

Annotation:

148: 7 Q. Do you know whether KBC New York
8 has an agreement with ADB concerning
9 correspondent banking services, other
10 than the Services Agreement? Is there a
11 separate agreement of any kind?
12 A. I would believe that there is an
13 account opening agreement between ADB
14 and KBC New York.
15 Q. Other than the account opening
16 agreement, is there another agreement
17 of any kind --
18 A. Not to my knowledge.

Pg: 151 Ln: 21 - 25

Annotation:

151:21 Q. The Lazare account was a Zero
22 Balance Account, wasn't it, Ms.
23 Grimmig?
24 A. It zeroed out at the end of
25 every day.

Pg: 158 Ln: 10 - Pg: 159 Ln: 17

Annotation:

158:10 Q. Would you look at paragraph 3 of
11 your Declaration?
12 A. Okay.
13 Q. You see at the end of paragraph
14 3 you cite to Ms. Snyers' Declaration
15 at paragraph 7?
16 A. Yes.
17 Q. Did you also rely on Ms. Snyers'
18 Reply Declaration in the case?
19 A. I don't recall.
20 Q. Do you see at the top of
21 paragraph 3, second sentence, the
22 sentence that reads "The KBC account is
23 an ordinary checking account, also
24 known as a Demand Deposit Account."
25 A. Yes.
159: 1 Q. The KBC account to which you are
2 referring in this sentence is Lazare's
3 bank account at KBC New York, correct?
4 A. Yes.
5 Q. Okay. Was that account a
6 checking account?
7 A. I believe it had checking
8 possibilities. I don't know if checks
9 were ordered.

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Pg: 158 Ln: 10 - Pg: 159 Ln: 17 continued...

Annotation:

159:10 Q. You don't know whether KBC New
11 York ever provided checks to Lazare?
12 A. I don't know if Lazare ever
13 requested checks. If it did so we
14 would have furnished them to them.
15 Q. What is your definition of an
16 ordinary checking account?
17 A. An ordinary demand account.

Pg: 161 Ln: 22 - Pg: 162 Ln: 12

Annotation:

161:22 Q. Do the bank statements that KBC
23 New York issued to Lazare show deposits
24 of funds into Lazare's account before
25 being wired to the beneficiary
162: 1 designated by Lazare in its payment
2 orders?
3 A. I -- the account statements just
4 reflect the activity on the account for
5 a particular day. I don't think it --
6 it lists the order in which the payment
7 is processed. It just shows debits and
8 credits, in aggregates, the debits and
9 credits. So it's -- it's just showing
10 -- it's not showing the timing or the
11 order of the payments by time, if my
12 memory serves me right.

Pg: 162 Ln: 13 - Pg: 163 Ln: 4

Annotation:

162:13 Q. Do you understand how a Zero
14 Balance Account works?
15 A. Yes.
16 Q. Is a Zero Balance Account an
17 ordinary checking account?
18 A. It can be, yes.
19 Q. How does a Zero Balance Account
20 work?
21 A. At the end of the day you look
22 at the balance on the account. If there
23 is an outstanding credit, then the
24 credit is -- a debit entry is made to
25 the account equal to the credit balance
163: 1 and the money is swept out and moved
2 into another account, so that the
3 account has a balance of zero at the
4 end of the day.

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Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 163 Ln: 18 - Pg: 164 Ln: 7

Annotation:

163:18 Q. Do you know when Lazare
19 submitted the necessary account opening
20 information to KBC New York to set up
21 its account?
22 A. It would be contained in the
23 account opening documentation that was
24 produced.
25 Q. Okay. And do you know whether
164: 1 the necessary account opening
2 information was complete as of
3 December, 2000?
4 A. I don't know the date. I know it
5 started in the end of one year and got
6 completed in the following year, but I
7 don't know the exact years.

Pg: 164 Ln: 8 - Pg: 167 Ln: 14

Annotation:

164: 8 Q. Would you look at paragraph 4 of
9 your Declaration, and in particular, to
10 the second sentence that reads
11 "Contrary to the statement in the
12 Moryto Affidavit that KBC was a primary
13 banker to Lazare, KBC's New York branch
14 only provided basic account services
15 for Lazare's KBC account which were
16 incidental to Lazare's bank account at
17 Antwerp Bank, etcetera." Do you see
18 where I'm reading from?
19 A. Yes.
20 Q. Let me ask you a few questions
21 about your definition of "bank account
22 services."
23 You told us that KBC New York
24 provided the operational banking
25 services that are described in the
165: 1 Services Agreement, correct?
2 A. Correct.
3 Q. And according to the Services
4 Agreement those operational banking
5 services were provided through the bank
6 account that ADB -- or bank accounts
7 that ADB's customers in New York opened
8 at KBC New York, correct?
9 A. Correct.
10 Q. Okay. And Lazare, one of ADB's
11 diamond customers in New York, opened
12 its bank account at the New York branch
13 of KBC at the direction of ADB,

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Pg: 164 Ln: 8 - Pg: 167 Ln: 14 continued...

Annotation:

165:14 correct?
15 A. Yes.
16 Q. And the operational banking
17 services that KBC New York provided
18 under the Services Agreement included
19 accepting payment orders from Lazare
20 under its credit facility with ADB,
21 correct?
22 A. Correct.
23 Q. And matching the payment orders
24 with Lazare's available credit under
25 its credit facility, correct?
166: 1 A. Correct.
2 Q. And effectuating or executing
3 the payments in accordance with
4 Lazare's instructions, correct?
5 A. Correct.
6 Q. Accepting incoming payments to
7 Lazare and booking them accordingly,
8 correct?
9 A. Correct.
10 Q. Opening a pooling account for
11 ADB at KBC New York to reimburse itself
12 for the payments it made for Lazare,
13 correct?
14 A. Correct.
15 Q. By agreement with Lazare,
16 notifying ADB what it did via SWIFT
17 electronic message so that ADB could
18 adjust its records accordingly with
19 respect to Lazare's outstanding loan
20 balance, correct?
21 A. Correct.
22 Q. Is it your testimony, Ms.
23 Grimmig, that each of these banking
24 services that I've just read to you is
25 a basic account service?
167: 1 A. Yes.
2 Q. And do you consider these
3 account services to be de minimus
4 business dealings with Lazare?
5 A. Yes.
6 Q. And these banking services were
7 all provided to Lazare here in New
8 York, correct?
9 A. With respect to KBC New York?
10 Q. Yes.
11 A. Yes.
12 Q. And they're all services
13 provided by KBC New York, correct?

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Pg: 164 Ln: 8 - Pg: 167 Ln: 14 continued...

Annotation:

167:14 A. Correct.

Pg: 167 Ln: 25 - Pg: 168 Ln: 9

Annotation:

167:25 Q. Which bank disbursed to the
168: 1 payee designated by Lazare, Ms.
2 Grimmig? Who executed or effectuated
3 the payment order?
4 A. Out of the KBC New York account
5 it was KBC New York.
6 Q. Okay. Which bank accepted the
7 repayment into the KBC -- Lazare's KBC
8 New York bank account?
9 A. KBC New York.

Pg: 168 Ln: 20 - Pg: 171 Ln: 1

Annotation:

168:20 Q. Which bank calculated the amount
21 due under the credit facility before
22 effectuating or executing Lazare's
23 payment orders?
24 A. ADB furnished the credit limit
25 to KBC New York, so that KBC New York
169: 1 could process payments based on the
2 availability under the overdraft
3 account.
4 Q. Is that what the Services
5 Agreement says, Ms. Grimmig, or is that
6 what you say?
7 A. That's how it worked.
8 Q. What does the Services Agreement
9 say? Let me direct your attention to
10 paragraph 1.
11 The second sentence, "KBC will
12 keep records of the movements on the
13 diamond client's accounts in order to
14 be able to calculate the available
15 credit against those lines."
16 A. In order to do so ADB had to
17 first furnish to KBC New York the
18 credit limit under the overdraft
19 account between KBC New York -- between
20 ADB and ADB's customer.
21 Q. Okay.
22 A. So we needed to know -- so ADB
23 had to furnish the credit limit. Once
24 that was -- KBC was informed of the
25 credit limit, then KBC would process

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Pg: 168 Ln: 20 - Pg: 171 Ln: 1 continued...

Annotation:

170: 1 payments, depending upon availability
2 under the overdraft.
3 KBC New York would inform both
4 Lazare and ADB in real-time every time
5 there was a debit or credit entry on
6 the KBC New York account, so that a
7 corresponding entry could be made on
8 the ADB overdraft account. It's not one
9 or the other. It's -- it starts -- it
10 starts and ends with ADB.
11 Q. Where did ADB get the
12 information about the transactions in
13 Lazare's bank account? From where did
14 ADB get the information?
15 A. KBC New York -- first of all,
16 ADB would inform KBC New York about the
17 credit limit and then if there was a
18 debit entry on a KBC New York account
19 on any particular day, KBC New York
20 informed both Lazare and ADB in
21 real-time of each and every debit and
22 credit entry.
23 Q. So KBC New York was the source
24 of the debit and credit information
25 that ADB received?
171: 1 A. Yes.

Pg: 174 Ln: 1 - 18

Annotation:

174: 1 Q. Did KBC New York perform
2 enhanced due diligence procedures on
3 any bank accounts or banking activities
4 undertaken by New York diamond clients
5 of ADB?
6 A. Diamond customers were in a risk
7 category as being high risk, yes.
8 Q. So the answer is yes?
9 A. Yes.
10 Q. How about enhanced due diligence
11 with respect to ADB, the holder of the
12 local partner bank or correspondent
13 bank account at KBC New York?
14 A. As you mentioned before, under
15 the corresponding banking rules and
16 regulations they're subject to
17 additional AML documentation
18 requirements.

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Transcript: [2/16/2016] Grimmig, Diane

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Pg: 189 Ln: 5 - Pg: 191 Ln: 16

Annotation:

189: 5 Q. Ms. Grimmig, would you turn to
6 Plaintiff's Exhibit 55, which is one of
7 the loose documents in that pile in
8 front of you in that folder?
9 Do you recognize that document?
10 A. Yes.
11 Q. What is it?
12 A. It's a Letter Agreement between
13 ADB and Lazare.
14 Q. And it's dated May 31, 2001. Is
15 that correct?
16 A. Yes.
17 Q. It pertains to the bank account
18 that Lazare opened at the New York
19 branch of KBC, does it not?
20 A. Yes.
21 Q. And did anyone at KBC New York
22 participate in the drafting of this
23 document?
24 A. No.
25 Q. Do you know who drafted this
190: 1 document?
2 A. It's on ADB's letterhead, so I
3 assume an ADB officer drafted it.
4 Q. Are you acquainted with Philippe
5 Loral?
6 A. I know the name.
7 Q. Do you know whether he drafted
8 this document?
9 A. No.
10 Q. Have you ever met Mr. Loral?
11 A. No.
12 Q. Ever spoken with him?
13 A. No.
14 Q. Do you know whether diamond
15 clients of ADB, other than Lazare, who
16 open accounts at KBC New York sign this
17 kind of agreement?
18 A. If they were opening up a DDA
19 account to effectuate their overdraft
20 account between ADB and themselves,
21 then we would have got this document.
22 KBC New York would have received this
23 document.
24 Q. Is it fair to say then that you
25 are familiar with this form of
191: 1 document?
2 A. I've seen it, yes.
3 Q. You've seen it in contexts other
4 than Lazare?

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Pg: 189 Ln: 5 - Pg: 191 Ln: 16 continued...

Annotation:

191: 5 A. It would be part of the customer
6 file.
7 Q. When you say "part of the
8 customer file", do you mean the account
9 opening documentation that customers
10 sign and submit to KBC New York in
11 connection with bank accounts that they
12 open at KBC New York?
13 A. Yes. Customer file has the
14 account opening documentation and KYC
15 information and verification
16 documentation.

Pg: 192 Ln: 21 - Pg: 193 Ln: 6

Annotation:

192:21 Q. Well, directing your attention
22 to the first sentence that reads "We
23 hereby agree that all disbursements and
24 payments under our credit facility with
25 Antwerpse Diamantbank NV has been
193: 1 effected through our account with KBC
2 NV New York branch and shall result in
3 a same day debit or credit to our loan
4 balance with Antwerpse Diamantbank NV",
5 do you see that language?
6 A. Yes.

Pg: 193 Ln: 17 - Pg: 195 Ln: 14

Annotation:

193:17 Q. Was this document signed
18 pursuant to the Services Agreement that
19 you testified about earlier this
20 morning?
21 A. It's a separate document.
22 Q. Is it contemplated by the
23 Services Agreement?
24 A. I don't know if contemplated is
25 the right word.
194: 1 Q. Well, let me direct your
2 attention to the Services Agreement,
3 which you should also have in front of
4 you in the loose pile. And in
5 particular, to the third "whereas"
6 clause that begins "In agreement with
7 the diamond clients etcetera." Do you
8 see that?
9 A. Yes.
10 Q. Is Plaintiff's 55 the agreement

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Pg: 193 Ln: 17 - Pg: 195 Ln: 14 continued...

Annotation:

194:11 with the diamond clients that's
12 referred to in the third "whereas"
13 clause in the Services Agreement?
14 MR. FORESTA: Note my objection.
15 Go ahead and answer.
16 A. You would need -- KBC New York
17 would need this document in order to
18 communicate information about debits --
19 payments falling through KBC New York
20 with the DDA account with Lazare.
21 Q. Did KBC New York rely upon
22 Plaintiff's 55 in order to communicate
23 information to ADB about payments?
24 A. Yes.
25 Q. Did KBC New York keep either the
195: 1 original or a copy of this document in
2 its files?
3 A. KBC would not have the original.
4 It's a -- it's a document between ADB
5 and Lazare. So either ADB -- both ADB
6 and Lazare should have the original.
7 KBC New York would have a copy.
8 Q. But it was necessary for Lazare
9 to sign this document in order to open
10 its bank account at KBC New York. Is
11 that correct?
12 A. It was necessary for them to be
13 able to open the account and utilize
14 the account at KBC New York.

Pg: 197 Ln: 4 - Pg: 198 Ln: 24

Annotation:

197: 4 Q. And moving up to paragraph 3,
5 second paragraph, do you see where it
6 says in the second clause, first clause
7 second paragraph, "If these clearing
8 operations yield a balance deficiency
9 on the pooling account KBC New York
10 will grant ADB an overnight placement
11 on money market rates on a best efforts
12 basis."
13 A. Yes.
14 Q. What is that talking about? What
15 does that sentence mean?
16 A. If -- if at the end of the day
17 you would reconcile the DDA account of
18 Lazare, if it had a debit balance you
19 -- we would access funds out of ADB's
20 pooling account.

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Pg: 197 Ln: 4 - Pg: 198 Ln: 24 continued...

Annotation:

197:21 If the ADB pooling account did
 22 not have sufficient funds, KBC would
 23 lend funds to ADB in order to cover the
 24 negative balance.
 25 Q. And those funds would be loaned
 198: 1 or lent on money market rates?
 2 A. They would be lent on an
 3 overnight basis at a market rate.
 4 Q. And what does the sentence after
 5 that mean, the sentence that refers to
 6 "This placement will be against the
 7 presently established line at KBC New
 8 York etcetera?"
 9 A. KBC provided a -- had an
 10 overdraft limit with respect to the
 11 U.S. dollar accounts held by KBC
 12 entities, including ADB.
 13 Q. Can you explain what you mean
 14 when you say that they had an overdraft
 15 limit with respect to the accounts?
 16 A. Essentially, a line of credit
 17 with a maximum -- maximum amount that
 18 could be utilized.
 19 Q. So do I understand correctly
 20 that KBC extended a line of credit to
 21 ADB for use in connection with the
 22 arrangement discussed in this Services
 23 Agreement?
 24 A. KBC could extend credit to ADB.

Pg: 200 Ln: 7 - Pg: 204 Ln: 23

Annotation:

200: 7 Q. Okay. Well, directing your
 8 attention to the first sentence of
 9 paragraph 3 that begins "Each day KBC
 10 clears customer's account via ADB's
 11 pooling etcetera", at what point in the
 12 day did KBC clear the customer's
 13 account?
 14 A. Lazare's?
 15 Q. Or any customer that is covered
 16 by this agreement.
 17 A. So intraday there would be
 18 debits and credits on Lazare's KBC New
 19 York DDA account in real-time. Those
 20 debits and credits were reported to
 21 Lazare and at the same time to ADB to
 22 make the corresponding entries on the
 23 overdraft account.

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Pg: 200 Ln: 7 - Pg: 204 Ln: 23 continued...

Annotation:

200:24 At the end of the day KBC New
 25 York would reconcile the balance to see
 201: 1 whether or not there was a credit
 2 balance or a -- and if there was a
 3 credit balance the account would be
 4 zeroed out and there would be a debit
 5 on the KBC New York DDA account and
 6 there would be a credit to the ADB, as
 7 you call it, pooling account.
 8 Q. So the reconciliation took place
 9 at the end of the day, the settling of
 10 the transactions?
 11 A. The final settlement of the
 12 transactions, because debits and
 13 credits are made throughout the day on
 14 the -- on any bank account. They're not
 15 all done at the end of the day. It's
 16 done throughout the day, with a final
 17 reconciliation at the end of the day.
 18 Q. Why does the second paragraph
 19 refer to an overnight placement in the
 20 event that the clearing operations that
 21 you've described yield a balance
 22 deficiency on the pooling account?
 23 A. Because as I mentioned before,
 24 for administrative convenience we might
 25 not have made debit entries against
 202: 1 ADB's account to fund payment orders or
 2 for insufficient -- to cover the
 3 insufficient funds in the KBC New York
 4 DDA account during the day, we just
 5 would do one final settlement and
 6 reconciliation at the end of the day.
 7 Q. And when KBC effectuates or
 8 executes a payment order from a
 9 customer like Lazare, under the
 10 arrangement described in this Services
 11 Agreement, where does KBC obtain the
 12 funds with which to fulfill or carry
 13 out that payment order?
 14 A. Ultimately, the funds are
 15 acquired from ADB.
 16 Q. In the first instance where does
 17 it obtain the funds? Whose funds does
 18 it use?
 19 A. First instance, the customer's
 20 funds. It's a DDA account. So they
 21 might have deposits of funds from their
 22 selling of goods and services to
 23 another counterparty. So the first

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Pg: 200 Ln: 7 - Pg: 204 Ln: 23 continued...

Annotation:

202:24 source of funds is their own funds.
 25 Q. And if the Zero Balance Account
 203: 1 does not contain the funds with which
 2 to execute the payment order?
 3 A. KBC New York would look to see
 4 what the credit limit was on the ADB
 5 overdraft account. If there was
 6 availability under the ADB overdraft
 7 account, KBC could and at times did use
 8 its own funds intraday and then at the
 9 end of the day reconciled and settled
 10 with ADB and ADB would cover KBC, such
 11 that it was ADB funds and ADB retained
 12 the credit risk.
 13 Q. And why do you say "at times",
 14 as opposed to all the time?
 15 A. We had -- KBC New York had the
 16 right to make entries against the ADB
 17 account for the funds at any point in
 18 time, because the funds were available.
 19 We just -- for administrative purposes
 20 it was easier, instead of making
 21 multiple entries throughout the day
 22 because there could be debits and
 23 credits, depending upon the flow and
 24 funds in and out of the account. We
 25 did it -- it was administratively more
 204: 1 convenient to tend to do it at the end
 2 of the day and do it once. It saved --
 3 it save the -- in this case Lazare, in
 4 the sense that we didn't have to access
 5 the overdraft account, it saved them
 6 interest and also saved them fees and
 7 also saved ADB fees.
 8 Q. And when you say "it", you are
 9 referring to the reconciliation between
 10 KBC's funding of Lazare's payment order
 11 and KBC's -- and the settling of that
 12 transaction against the pooling
 13 account?
 14 A. Yeah.
 15 Q. And all that took place in New
 16 York?
 17 A. KBC New York handled its side of
 18 the transaction and ADB -- KBC handled
 19 everything with respect to the KBC New
 20 York DDA account for Lazare, and what
 21 you call the ADB pooling account. ADB
 22 in Belgium handled the ADB overdraft
 23 account.

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Pg: 205 Ln: 1 - Pg: 207 Ln: 9

Annotation:

205: 1 Q. So the what I call the pooling
2 account is the pooling account that is
3 referred to in your Services Agreement,
4 Ms. Grimmig --
5 A. Right.
6 Q. -- in case there is any
7 question?
8 A. Right.
9 Q. You understand that?
10 A. Yes.
11 Q. Do you understand what the
12 approximate amount of U.S.
13 dollar-denominated transactions was
14 that KBC New York executed for ADB and
15 its customers in any given year during
16 the relevant period of time?
17 A. It would be -- through ADB's
18 U.S. dollar account?
19 Q. Yes.
20 A. Billions of dollars.
21 Q. And did all of those
22 transactions flow through the ADB
23 pooling account at KBC New York?
24 A. If KBC New York was handling the
25 U.S. dollar clearing activity on that
206: 1 particular payment, yes. If they used
2 another bank, ADB used another U.S.
3 clearing account with another bank, no.
4 Q. Were clearing activities
5 conducted through the pooling account
6 as well as the operational banking
7 services described in the Services
8 Agreement?
9 A. Yes.
10 Q. So the pooling account was both
11 a clearing account and a pooling
12 account?
13 A. KBC New York does not call it a
14 pooling account. So I don't know where
15 that term comes from. I'm not familiar
16 with it.
17 KBC New York had a U.S. dollar
18 account for ADB that handled any U.S.
19 dollar transactions that ADB processed
20 through KBC New York.
21 Q. And that would apply to all
22 customers of ADB for which it processed
23 transactions?
24 A. If it processed through the ADB
25 pooling account.

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Pg: 205 Ln: 1 - Pg: 207 Ln: 9 continued...

Annotation:

207: 1 Q. So that would include customers
2 around the world as well as based in
3 New York, would it not?
4 A. If it was a U.S. dollar payment
5 that got processed through ADB's
6 pooling account held at KBC New York,
7 KBC New York handled it. If it went
8 through another account at another
9 bank, KBC New York had no involvement.

Pg: 208 Ln: 7 - Pg: 211 Ln: 18

Annotation:

208: 7 Q. And dropping down to paragraph 2
8 at the bottom of the first page of the
9 Services Agreement you see the sentence
10 that begins "KBC will accept and
11 registrate all incoming funds via the
12 customary channels, etcetera, in favor
13 of the diamond clients"?
14 A. A-hum.
15 Q. What does that mean?
16 A. It means that all
17 incoming/outgoing payments flowing
18 through Lazare's account would be --
19 would be captured and kept.
20 Q. What does "captured" mean,
21 booked?
22 A. Via -- well, it would be
23 presented a payment order, we would
24 have a copy of the payment order. We
25 would have the debits and entries would
209: 1 be reflected on our account statement
2 that was furnished to the customer. So
3 we would have copies of the customer's
4 account statements.
5 Q. So effectively, the monies that
6 KBC accepted and registrated were used
7 to repay the customer's loans under
8 their credit facilities with ADB,
9 correct?
10 A. It's one of the -- Lazare Kaplan
11 -- if Lazare left any credit balances
12 in its KBC New York DDA account at the
13 end of the day those credit balances
14 got moved and sent to ADB, but Lazare
15 had the ability to leave no funds in
16 the account at which point there would
17 be no credit balances to use to pay
18 amounts drawn under the ADB overdraft

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Pg: 208 Ln: 7 - Pg: 211 Ln: 18 continued...

Annotation:

209:19 account.

20 Q. Where does it say that in this
21 agreement?

22 A. It doesn't say it, but Lazare
23 Kaplan -- Lazare controls the funds in
24 its account. If it didn't want to have
25 funds used to pay down an overdraft on

210: 1 an overdraft account Lazare had the
2 capability of withdrawing any credit
3 balances and moving it into another
4 bank account with another bank, so that
5 there would be no credit balances and
6 there would be no pay-down on the
7 overdraft account.

8 Q. According to this paragraph 2 of
9 the Services Agreement, where KBC
10 accepted incoming funds it was KBC that
11 credited the customer's account on its
12 books, correct?

13 A. Correct.

14 Q. It was KBC that sent a SWIFT
15 message to ADB giving information
16 regarding that credit, correct?

17 A. Every time there was a credit to
18 the account we -- Lazare was notified
19 and ADB was notified.

20 Q. It was KBC that added
21 information about the ordering customer
22 of the payment, correct?

23 A. For what type of payment?

24 Q. Well, I'm referring you to the
25 bottom of paragraph 2, top of page 2 of
211: 1 the Services Agreement, in particular,
2 the sentence "KBC also adds information
3 about the ordering customer of the
4 payment."

5 A. That would be information that
6 we received from Lazare who inputted it
7 into the payment order.

8 To the extent that it was
9 contained within the payment order,
10 which had to be because we would have
11 to know who to make the payment to, we
12 also informed ADB.

13 Q. And you performed an AML or
14 Compliance obligation or function with
15 respect to the information about the
16 customer or the source of funds?

17 A. It was subject to our BSA AML
18 OFAC program.

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Pg: 218 Ln: 14 - Pg: 219 Ln: 16

Annotation:

218:14 Q. Does the account agreement say
15 anything at all about zeroing out the
16 account?
17 A. I would have to read it but I
18 don't recall off the top of my head.
19 Q. The account agreement is the
20 Exhibit A to your sworn Declaration,
21 Ms. Grimmig.
22 MR. FORESTA: Is there a
23 question?
24 MR. SULLIVAN: Yes.
25 Does the account agreement allow
219: 1 KBC New York to zero out Lazare's KBC
2 New York account? Same question I asked
3 before.
4 A. The account agreement permits
5 the debits and credits to the account
6 which are evidenced in account
7 statement. The account statement would
8 have evidenced the zeroing out of
9 Lazare's account at the end of the day.
10 Q. What paragraph of the account
11 agreement are you looking at?
12 A. I'm just looking at the totality
13 of the agreement.
14 Q. Is there a specific reference to
15 zeroing out in the agreement?
16 A. No.

Pg: 223 Ln: 7 - Pg: 226 Ln: 25

Annotation:

223: 7 Q. Is there any other agreement
8 that allowed KBC New York to zero out
9 Lazare's account at the end of the day,
10 beyond the account agreement and the
11 bank statements that you referred to as
12 the totality of the situation?
13 A. Was the Letter Agreement between
14 ADB and Lazare? I think --
15 Q. That's Plaintiff's 55, one-page
16 agreement.
17 A. -- reflected the workings of the
18 account too.
19 Q. You are referring to the first
20 sentence of Plaintiff's 55? Do you have
21 the document in front of you? It's a
22 one-page document.
23 A. I think it's one of the tabs.
24 MR. D'ANGELO: It should be

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Pg: 223 Ln: 7 - Pg: 226 Ln: 25 continued...

Annotation:

223:25 separate.

224: 1 A. Yes.

2 Q. Okay. What language in the
3 document are you relying on?

4 A. The first sentence, the second
5 half of the first sentence, "Same day
6 debits or credits to our loan balance
7 with Antwerp Diamond Bank NV.

8 Q. So this document then pertains
9 to the Lazare account at KBC New York
10 as well, the operation of the Lazare
11 account at KBC New York as well?

12 A. Yes.

13 Q. And did KBC New York and ADB
14 exchange information pursuant to this
15 document?

16 A. Yes. As I stated, we shared
17 information regarding debits and
18 credits to Lazare's DDA account with
19 KBC New York, so corresponding entries
20 could be made by ADB on its overdraft
21 account.

22 Q. And do you understand this
23 document to require that all
24 disbursements and payments under
25 Lazare's credit facility with ADB have
225: 1 to be effected through its account at
2 KBC New York?

3 A. No.

4 Q. So directing your attention to
5 the first sentence that reads "We
6 hereby agree that all disbursements and
7 payments under our credit facility with
8 Antwerpse Diamantbank NV shall be
9 effected through our account with KBC
10 New York and New York branch etcetera",
11 what part of that doesn't require
12 Lazare to --

13 A. You have to --

14 Q. You have to let me finish.

15 -- to effect all transactions
16 through its account at KBC New York?

17 A. You have to read the sentence in
18 its totality. The first part makes no
19 sense without the second part.

20 Basically, what this is -- the
21 purpose of this was to state to Lazare,
22 if you wanted to receive funds under
23 your overdraft account from ADB same
24 day in real-time you had to effectuate

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Transcript: [2/16/2016] Grimmig, Diane
Issue Filter: Depo Designation

Pg: 223 Ln: 7 - Pg: 226 Ln: 25 continued...

Annotation:

225:25 those payment orders through the KBC
226: 1 New York account.
2 Q. The agreement, the word "all"
3 refers to disbursement -- do you
4 understand the word "all" to refer to
5 disbursements and payments under the
6 credit facility?
7 A. You have to read the sentence in
8 its totality. The second part of the
9 sentence I believe qualifies the first
10 part of the sentence.
11 Q. So "all" doesn't mean "all"?
12 A. I do know that Lazare, during
13 the time of the overdraft account, did
14 process payment orders directly to ADB.
15 So I do not -- I don't think "all"
16 means "all" here, because there was
17 activity to the contrary.
18 Q. And when did that activity take
19 place?
20 A. I don't know.
21 Q. Was Lazare free to disregard
22 this agreement?
23 A. It's an agreement between ADB
24 and Lazare, so I cannot speak for ADB
25 or Lazare.

Pg: 228 Ln: 10 - 15

Annotation:

228:10 Q. But KBC New York did not
11 repudiate this agreement in any
12 respect?
13 A. No. It was a requirement in
14 order to -- for Lazare to open and
15 utilize the KBC ADB DDA account.

Pg: 228 Ln: 16 - Pg: 230 Ln: 21

Annotation:

228:16 Q. And directing your attention to
17 paragraph 4 of your Declaration, Ms.
18 Grimmig, do you see the sentence that
19 begins "Contrary to the statement in
20 the Moryto Affidavit, KBC was a primary
21 banker to Lazare. KBC's branch only
22 provided basic account service for
23 Lazare's KBC account which were
24 incidental to Lazare's bank account at
25 Antwerp Bank."

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Transcript: [2/16/2016] Grimmig, Diane

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Pg: 228 Ln: 16 - Pg: 230 Ln: 21 continued...

Annotation:

229: 1 A. Yes.
2 Q. What is your basis for claiming
3 that KBC was not Lazare's primary
4 banker in New York?
5 A. One, we knew that we were not
6 the only banker that Lazare did
7 business with in the U.S.; and two, we
8 only furnished them with one bank
9 product. We did not provide them or
10 offer them our more prominent bank
11 product and services provided by KBC
12 New York.
13 Q. Directing your attention to the
14 Moryto Affidavit that you refer to in
15 your Declaration, which is tab 116 of
16 your big binder.
17 (Exhibit 116, Affidavit of
18 William Moryto, was received and marked
19 on this date for identification.)
20 Q. Directing your attention to
21 paragraph 20, page 8 of Mr. Moryto's
22 Affidavit, would you read the first
23 sentence?
24 A. "In 2008 alone deposits into the
25 KBC New York bank account from third
230: 1 parties were approximately \$178.5
2 million and disbursements to third
3 parties were approximately \$178.2
4 million."
5 Q. Do you have any reason to
6 believe that statement is not accurate?
7 A. No.
8 Q. Do you know how -- approximately
9 how much money passed through Lazare's
10 bank account at KBC New York during the
11 relevant period of time?
12 A. A couple hundred million.
13 Q. Well, we know that 350-odd
14 million --
15 A. Okay.
16 Q. -- of transactions took place in
17 2008 alone?
18 A. Okay.
19 Q. So in the 11-year period do you
20 have any idea?
21 A. No.

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Pg: 233 Ln: 6 - 22

Annotation:

233: 6 Q. Going back to paragraph 4 of
7 your Declaration, do you see the
8 sentence on page 2, three lines up from
9 the bottom that reads "KBC did not make
10 any loans or extend any credit to
11 Lazare."
12 A. Yes.
13 Q. So is it correct, if I
14 understand your testimony, that at the
15 start of each day Lazare had a zero
16 balance in its KBC New York bank
17 account?
18 A. Yes.
19 Q. And when Lazare wanted to
20 disburse funds it would send a transfer
21 request to KBC New York?
22 A. Yes.

Pg: 234 Ln: 20 - Pg: 235 Ln: 9

Annotation:

234:20 Q. Is it true, Ms. Grimmig, that
21 KBC initially funded Lazare's payment
22 requests with its own money?
23 MR. FORESTA: Objection. Asked
24 and answered.
25 Q. You can answer the question.
235: 1 A. On an intraday basis, if there
2 was funds available in the ADB pooling
3 account we, KBC, would use its own
4 funds and then at the end of the day
5 reconcile and settle and be reimbursed
6 by ADB. So on a daily basis the credit
7 risk always was retained by ADB because
8 it was ultimately ADB funds that
9 covered the payment orders.

Pg: 255 Ln: 8 - Pg: 256 Ln: 21

Annotation:

255: 8 Q. Is it the case or is it correct
9 that each time the amount of Lazare's
10 credit facility was increased the
11 increase was approved by KBC or a
12 committee at KBC?
13 A. If it met certain criteria.
14 Q. Do you recall what the initial
15 amount of the credit facility was?
16 A. It's in one of the documents
17 produced.

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Pg: 255 Ln: 8 - Pg: 256 Ln: 21 continued...

Annotation:

255:18 Q. If I suggested to you that it
19 was \$10 million, would that refresh
20 your recollection?
21 A. No. I believe it was more than
22 that.
23 Q. Can you walk us through the
24 process by which ADB would obtain KBC
25 approval of the increase in the amount
256: 1 of the credit facility?
2 A. Any increase in the credit
3 facility would be processed in a
4 similar manner to an initial grant of
5 credit. ADB would make a decision as to
6 whether or not it wanted to increase
7 the credit limit. If it decided to do
8 so, ADB would write a credit
9 application or a credit memo and it
10 would get submitted to the appropriate
11 Credit Committee.
12 The determination of the
13 appropriate Credit Committee was -- is
14 based upon several factors; one,
15 probability of default; loss given
16 default; and group exposure. So the
17 decision might have been made at the
18 local committee at ADB or if based upon
19 the factors it might have needed to be
20 escalated up to a Credit Committee
21 located at KBC Belgium.

Pg: 256 Ln: 22 - Pg: 260 Ln: 13

Annotation:

256:22 Q. You identified this morning two
23 Credit Committees located at KBC
24 Belgium, the Extended Credit Committee
25 or ECC and the Local Credit Committee
257: 1 or LCC and now you also indicated there
2 was a third committee.
3 Do I understand correctly the
4 third committee is the initial Credit
5 Committee, just CC, if you will, at ADB
6 and from there the decision goes to the
7 LCC or ECC at KBC? Am I understanding
8 that distinction correctly?
9 A. I think I might have misspoke
10 and said that the LCC was at KBC
11 Belgium. I believe the LCC stands for
12 the Local Credit Committee, which would
13 refer to ADB's Credit Committee.

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Pg: 256 Ln: 22 - Pg: 260 Ln: 13 continued...

Annotation:

257:14 Q. So ECC is KBC?
15 A. ECC is KBC.
16 Q. And LCC is ADB?
17 A. Yes.
18 Q. And is there third committee
19 like an initial committee, a CC?
20 A. If my memory serves me right, in
21 the IKB delegations there is another
22 Credit Committee.
23 Q. And was it -- is it the case
24 that the request to increase the
25 available line of credit, the amount of
258: 1 the available line of credit to Lazare,
2 would be coupled with the line of
3 credit that was made available to
4 Lazare Kaplan Belgium, the Belgian
5 subsidiary of Lazare, so the two in the
6 aggregate would be presented to the
7 applicable committee?
8 A. If at the time there -- Lazare
9 was looking to increase the credit
10 limit but there was no changes to a
11 Lazare Belgian credit facility, ADB
12 would prepare a credit application that
13 spoke specifically about the LK --
14 Lazare credit facility and the request
15 to increase the credit limit, but it
16 more than likely would have background
17 information about their group exposure
18 to Lazare and Lazare Belgium.
19 Q. Do you know for a fact that the
20 ECC, the KBC committee, approved the
21 increase in the amount of the Lazare
22 credit facility up to the \$45 million
23 level at which it resided when it was
24 terminated?
25 A. I know there was a credit
259: 1 application submitted. I don't recall
2 off the top of my head what committee
3 decided it. I believe it was ECC.
4 Q. And if I remember your testimony
5 correctly, KBC had representatives on
6 the LCC?
7 A. No. I was mistaken. That's the
8 Local Credit Committee, that's ADB's
9 Credit Committee and it is my
10 understanding that just ADB personnel
11 are on the ADB's LCC.
12 Q. Is that what the IKB
13 counterparty delegations say?

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Pg: 256 Ln: 22 - Pg: 260 Ln: 13 continued...

Annotation:

259:14 A. I think the IKB delegations just
15 talk about the representatives on the
16 Credit Committees located in KBC
17 Belgium. I don't recall it setting
18 forth who are the representatives of
19 the Local Credit Committees held at the
20 local levels.
21 Q. Are you referring to the LCC?
22 A. Yes.
23 Q. So is your testimony that you
24 don't recall whether KBC
25 representatives sat on the LCC or that
260: 1 they did not sit on the LCC?
2 A. I don't recall.
3 Q. What written record exists of
4 the decision by the ECC to increase the
5 amount of Lazare's credit facility
6 during the relevant period of time or
7 what written record would exist of such
8 approval?
9 A. For every credit application
10 submitted to a Credit Committee there
11 would be a written credit decision
12 linked to that particular credit
13 application.

Pg: 260 Ln: 14 - Pg: 261 Ln: 9

Annotation:

260:14 Q. And going back for a moment to
15 the Service Agreement --
16 A. Yes.
17 Q. -- paragraph 2, the paragraph
18 that begins "KBC will accept and
19 registrate all incoming funds,
20 etcetera", would a payment by a third
21 party for diamonds sold by Lazare be an
22 example of incoming funds under this
23 paragraph?
24 A. If Lazare sold -- sorry. Could
25 you ask the question --
261: 1 Q. Would a payment by a third party
2 for diamonds sold by Lazare be an
3 example of incoming funds under this
4 paragraph 2 of the Services Agreement?
5 A. The positive funds from any
6 transaction that Lazare had with its
7 counterpart that it directed that
8 counterpart to deposit funds into the
9 DDA account, yes.

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Pg: 264 Ln: 5 - Pg: 265 Ln: 11

Annotation:

264: 5 Q. Well, in this particular case
6 I'm directing your attention to
7 paragraph 10 of your Declaration, in
8 which you are describing the manner in
9 which KBC New York effectuated
10 payments --
11 A. Okay.
12 Q. -- as per the Services
13 Agreement, payments requested by
14 Lazare.
15 A. Okay. So if we received a
16 payment order the first thing we check
17 is to whether or not there were funds
18 in the account. If there was not
19 sufficient funds in the account to
20 cover the payment order, then KBC New
21 York would look at the credit limit
22 under the overdraft account with ADB.
23 If there was availability under that
24 overdraft account, then KBC could
25 either -- would on an intraday basis
265: 1 or -- we could have debited ADB's
2 account right then and there or more
3 often than not for administrative
4 convenience purposes we would fund --
5 KBC New York would fund the payment
6 order and then at the end of the day we
7 would reconcile and do a final
8 settlement and withdraw the funds out
9 of the ADB account to cover KBC New
10 York so that the credit risk always
11 remained with ADB.

Pg: 271 Ln: 19 - Pg: 272 Ln: 9

Annotation:

271: 19 Q. Let me see if I understand your
20 testimony correctly.
21 We know that KBC New York
22 initially funded Lazare's payment
23 request, correct?
24 A. As long as there was
25 availability under the overdraft
272: 1 account, as long as there was dollars
2 in ADB's pooling account.
3 At times KBC New York would use
4 its funds on an intraday basis to cover
5 any payment orders, and that at the end
6 of day KBC New York would do one final
7 reconciliation and settlement and ADB

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Pg: 271 Ln: 19 - Pg: 272 Ln: 9 continued...

Annotation:

272: 8 would pay KBC New York to make KBC New
9 York whole.

Pg: 272 Ln: 22 - Pg: 273 Ln: 11

Annotation:

272:22 Q. Isn't it also true that KBC
23 funded those requests even when there
24 weren't sufficient funds in the ADB
25 pooling account to cover the request?
273: 1 Isn't that the point of this language
2 about overnight placements on money
3 market interest rates?
4 A. If there was insufficient funds
5 in the ADB pooling account, KBC New
6 York had an overdraft or a credit line
7 for ADB that we could cover the
8 shortage of funds. It didn't
9 necessarily have to be Lazare. It
10 related to any of ADB's transactions,
11 U.S. dollar transactions.

Pg: 275 Ln: 11 - Pg: 280 Ln: 7

Annotation:

275:11 Q. Okay. Would you look -- turn to
12 Exhibit 8 in your binder, please?
13 A. Sure.
14 Q. Tell me whether you can identify
15 this document?
16 A. It's a -- it's a memo written by
17 Maiike Maeckelbergh.
18 Q. And who are Greg, Barbara and
19 Donna referred to in this document?
20 A. Greg is Greg Boston, who is the
21 head of cash management/payments;
22 Barbara worked in the back office and
23 so did Bob Quintin, they might have
24 worked for Greg Boston. I'm not too
25 sure who Donna is.
276: 1 Q. And directing your attention to
2 the first sentence, do you see the
3 reference to ICM, "Kindly note that ICM
4 has made a new account operational"?
5 A. Yes.
6 Q. What is ICM?
7 A. It stands for International Cash
8 Management.
9 Q. And what is that?
10 A. That is the unit that handled

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Pg: 275 Ln: 11 - Pg: 280 Ln: 7 continued...

Annotation:

276:11 DDA accounts.
12 Q. The unit at KBC New York?
13 A. The unit at KBC New York.
14 Q. And why was Maaiké notifying
15 Greg, Barbara and Donna that ICM had
16 made Lazare's bank accounts at KBC New
17 York operational?
18 A. Because they would have needed
19 to inform the back office people to put
20 a limit on the DDA account.
21 Q. And does the number from the
22 second line from the top, 24079801, is
23 that the account number assigned by KBC
24 New York to Lazare's bank account?
25 A. Yes.
277: 1 Q. And directing your attention to
2 the very last sentence that reads
3 "Payments to accounts at ADB are done
4 by book transfer to ADB's account
5 11743901", is that a reference to ADB's
6 pooling account at KBC New York?
7 A. I believe so.
8 Q. Can you explain what that last
9 sentence means?
10 A. KBC New York did not deal in
11 physical cash, so movement of funds,
12 transfer of funds, was done by book
13 entries. Another word for book entry
14 would be a book transfer.
15 Q. Is that a correspondent bank
16 function?
17 MR. FORESTA: Objection.
18 A. It's a function for any bank
19 account, whether it's correspondent or
20 DDA.
21 Q. If Lazare Kaplan Belgium, which
22 did not have a KBC New York bank
23 account, requested a U.S. dollar
24 transfer from ADB, was that transfer
25 initially funded by KBC New York?
278: 1 A. No.
2 Q. Who funded it?
3 A. ADB.
4 Q. ADB funded a U.S. dollar
5 transfer?
6 A. ADB had a U.S. dollar account
7 with KBC New York with U.S. dollars in
8 it.
9 Q. Did ADB then fund that request
10 by and through its New York bank

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278:11 account at KBC New York?
12 MR. FORESTA: Objection. You can
13 answer.
14 A. KBC New York would have been the
15 intermediary bank. So ADB, as the
16 originating bank, would have sent wire
17 instructions naming KBC New York as
18 intermediary bank and then would name
19 who the beneficiary bank. And so KBC
20 just moved U.S. dollar funds from ADB's
21 account to the beneficiary bank's
22 account.
23 Q. And would the same be true of
24 other diamond customers of ADB who did
25 not have a bank account at KBC New
279: 1 York, would KBC New York reconcile at
2 the end of the day with ADB transfers
3 made using ADB's pooling account in New
4 York?
5 A. Assuming that ADB transmitted
6 the wire transfer through KBC New York
7 and not through another U.S. Bank.
8 Q. And similarly or
9 correspondingly, if a customer of ADB
10 received a deposit in U.S. dollars from
11 a third party and that customer did not
12 have a KBC New York bank account, was
13 the transaction processed through the
14 ADB pooling account at KBC New York?
15 A. Not necessarily.
16 Q. Could it have been?
17 A. It could have been.
18 Q. Under what circumstances would
19 it not have been processed through the
20 ADB pooling account at KBC New York?
21 A. ADB would have had to give
22 wiring instructions. If it named KBC
23 New York as the intermediary bank, then
24 the funds would have flowed through KBC
25 New York.
280: 1 Q. To the extent that funds
2 generated by transactions of ADB
3 customers flowed through New York, were
4 they all processed through the ADB
5 pooling account at KBC New York?
6 A. Any -- ADB only had the one
7 account. So, yes.

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

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Pg: 287 Ln: 9 - 22

Annotation:

287: 9 Q. You don't consider the initial
10 funding by KBC to be an extension of
11 credit to Lazare, Ms. Grimmig?
12 A. No.
13 Q. From Lazare's perspective who
14 was funding its drawdown requests under
15 the credit facility?
16 MR. FORESTA: Objection.
17 A. ADB.
18 Q. Really? Even though KBC advanced
19 the money?
20 A. KBC temporarily advanced funds
21 on an intraday basis, but at the end of
22 each day it was ADB's funds.

Pg: 306 Ln: 13 - Pg: 309 Ln: 19

Annotation:

306:13 Q. And if a customer of Lazare,
14 such as an Erez Daleyot affiliated
15 company, DD or KT, for example,
16 transferred money to New York, to and
17 through the ADB pooling account, would
18 KBC New York maintain records of that
19 transaction?
20 MR. FORESTA: Objection. You can
21 answer.
22 A. We would have retained the SWIFT
23 payment message.
24 Q. I'm sorry?
25 A. We would have retained the SWIFT
307: 1 payment message.
2 Q. You'd also have a record of the
3 transaction in the pooling account
4 statements, wouldn't you?
5 A. Yes. There would be an entry.
6 Can I step back?
7 Q. Sorry?
8 A. On that question who was
9 originating the funds transfer and from
10 what account?
11 Q. Let's use a specific example, if
12 we could. Can you turn to I think it's
13 Exhibit 58 in your big binder?
14 So directing your attention to
15 Plaintiff's Exhibit 58, is this an
16 account statement, albeit redacted for
17 ADB's pooling account at KBC New York,
18 Ms. Grimmig?
19 A. Yes.

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Pg: 306 Ln: 13 - Pg: 309 Ln: 19 continued...

Annotation:

307:20 Q. And does this account statement
21 indicate to you that two transactions
22 of the companies known as KT Collection
23 and DD Manufacturing went through the
24 ADB pooling account at KBC New York?
25 A. Yes.

308: 1 Q. And does the fact that both
2 transactions went through the ADB
3 pooling account mean that DD and KT had
4 a bank account at KBC New York?
5 A. No. They did not.
6 Q. Does it mean that their
7 transactions were executed ADB's
8 pooling account at KBC New York?
9 A. They were executed through ADB's
10 pooling account as a non-customer.
11 Q. And this pooling account record
12 is a document maintained by KBC New
13 York in New York?
14 A. Yes.
15 Q. And you consider that to be a
16 "routine" --
17 MR. FORESTA: -- clearance
18 procedure.
19 MR. SULLIVAN: -- clearance
20 procedure. Thank you so much, counsel.
21 MR. FORESTA: Not that I'm in a
22 rush or anything.
23 A. Yes. It's standard practice for
24 every account to issue an account
25 statement on a -- I believe this was a
309: 1 monthly basis.
2 Q. So this is an example of the ADB
3 pooling account being used for U.S.
4 dollar-denominated transactions of
5 non-New York-based ADB clients,
6 correct?
7 A. This is reflecting -- all I can
8 tell you is it's reflecting a U.S.
9 dollar transaction involving
10 non-customers of KBC New York.
11 Q. Are you familiar with the
12 entities known as DD Manufacturing and
13 KT Collection?
14 A. I believe their names were
15 mentioned in the Complaint letter
16 Lazare filed with the New York State
17 Department of Financial Services and
18 are in the legal Complaint for this
19 litigation.

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Transcript: [2/16/2016] Grimmig, Diane

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Pg: 319 Ln: 12 - Pg: 321 Ln: 11

Annotation:

319:12 Q. Turning to paragraph 4 of your
 13 Declaration --
 14 A. Yes.
 15 Q. -- last sentence, "Antwerp Bank
 16 not KBC had the sole authority to
 17 approve overdrafts on the Lazare
 18 Antwerp Bank account or to extend or
 19 terminate the credit facility Antwerp
 20 extended to Lazare."
 21 A. Yes.
 22 Q. What document gives ADB the sole
 23 authority that you refer to in this
 24 language I quoted?
 25 A. As the credit provider, as the
 320: 1 owner of the overdraft account, they
 2 had authority with respect to
 3 overdrafts and they were the party that
 4 informed us of credit limits with
 5 respect to that overdraft account.
 6 Q. Didn't KBC also have authority,
 7 as you've testified earlier today, with
 8 respect to the credit facility Lazare
 9 had with ADB?
 10 A. KBC participated in the credit
 11 approval process as per the IKB credit
 12 delegations.
 13 Q. And didn't the IKB credit
 14 delegation create certain
 15 responsibilities for KBC with respect
 16 to the Lazare credit facility,
 17 including with respect to ADB's ability
 18 to extend or terminate the credit
 19 facility?
 20 A. It -- ADB had credit -- certain
 21 local credit delegation authority that
 22 it can make certain decisions. Others
 23 had to be escalated up to a KBC Credit
 24 Committee, depending upon different
 25 risk factors, including probabilities
 321: 1 of default, loss given default and the
 2 -- the aggregate risk -- group risk
 3 exposure to a customer.
 4 Q. Isn't it true that ADB could not
 5 have entered into a \$45 million credit
 6 agreement with Lazare without the prior
 7 approval and consent of KBC?
 8 A. I would have to look at the IKB
 9 credit delegations to note the amount
 10 of their local delegation authority
 11 versus the need to escalate.

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Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 321 Ln: 12 - 22

Annotation:

321:12 Q. Are you testifying today as a
13 30(b)(6) witness on behalf of KBC or
14 KBC New York?
15 A. On behalf of KBC -- KBC Bank NV,
16 which includes its New York branch.
17 Q. Did you go over each of the
18 topics set forth in the Amended Notice
19 of Deposition in preparation for your
20 testimony today?
21 A. I read the topics, yes. I read
22 the description of topics.

Pg: 321 Ln: 23 - Pg: 322 Ln: 6

Annotation:

321:23 Q. Do you know what governing
24 bodies at KBC were involved or
25 consulted in connection with the
322: 1 decision to terminate the Lazare credit
2 facility?
3 A. It is my understanding that that
4 credit application prepared by ADB was
5 approved at the local level and then
6 submitted to the ECC at KBC Belgium.

Pg: 345 Ln: 19 - Pg: 346 Ln: 25

Annotation:

345:19 Q. But my question pertains to your
20 preparation for your testimony today,
21 2016.
22 Did you speak with anybody at
23 KBC Group Legal or KBC in order to
24 prepare yourself to testify today as a
25 30(b)(6) witness on behalf of KBC?
346: 1 A. Yes.
2 Q. With whom did you speak?
3 A. Walter Haeck.
4 Q. So when did you speak with
5 Mr. Haeck?
6 A. I've known about this deposition
7 was going to take place for several
8 months, so from the time I was notified
9 that I would be the witness, I have
10 reached out to various parties and I
11 have read various documents in order to
12 prepare for this deposition.
13 Q. So, you've had conversations in
14 2015 and even perhaps 2016 in order to
15 prepare yourself for today's testimony?

TextMap Annotation Digest Report

Case Name: Plaintiff Lazare Kaplan International Inc.'s Deposition Designations for Diane Grimmig 2/16/2016

Transcript: [2/16/2016] Grimmig, Diane

Issue Filter: Depo Designation

Pg: 345 Ln: 19 - Pg: 346 Ln: 25 continued...

Annotation:

346:16 A. Yes.
17 Q. So when did the conversation
18 with Mr. Haeck take place?
19 A. I've had conversations with
20 Haeck over -- for the preparation of
21 this deposition?
22 Q. Yes.
23 A. From the time I was notified
24 that I was going to be a witness, which
25 was several months ago.